

**Bangchak Corporation Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Bangchak Corporation Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Bangchak Corporation Public Company Limited and its subsidiaries (the "Group") and of Bangchak Corporation Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Fair value assessment of net assets acquired from an acquisition of investment in associate in Indonesia	
Refer to Notes 3 (a) and 4 (a) to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>During 2018, the Group has completed the fair value assessment of net assets acquired from an acquisition of investment in associate in Indonesia which operates geothermal power plant during 2017.</p> <p>Due to the materiality of the transactions and the significant judgment and complexities involved in determining the fair value, I considered as the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Inquired management and understood on the procedures on identification of fair value on net assets acquired which was prepared by the management. - Read the share sale and purchase agreement, evaluated the appropriateness of the identification of the net assets acquired at the date of acquisition. - Evaluated the independence and competency of independent appraiser. - Involved KPMG valuation specialist to evaluate valuation methodology and financial parameters applied to the discount rate of intangible assets. - Evaluated significant assumptions underpinning the valuations reference to internal and external information and mathematical accuracy. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.

Acquisition of investment in associate	
Refer to Notes 3 (a), 4 (b) and 12 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>In November 2018, the Group has completed the acquisition of petroleum exploration and production business in Norway. The management applied significant judgement to classify an investment as an investment in associate and has estimated the fair value of net assets acquired including consideration transferred with the differences which was recognized as goodwill included in the investment in associate as at 31 December 2018.</p> <p>As a result, the effect of classification of investment, either on acquisition or in subsequent reporting periods, can have a material effect to financial statements. This matter involves significant judgment and complexities involved in determining the fair value of net assets acquired, I considered as the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Assessed the factors determining control including the legal documents associated with investments to determine the key terms, including but not limited to rights of the investors, terms of shareholders' agreements, dispute resolution provisions, termination provisions, governance structures and profit-sharing arrangements. - Understood and assessed the classification of the investment by considering shareholding structure, power of control and key relevant activities. - Inquired management and understood on the procedures on identification of fair value on net assets acquired which was prepared by the management. - Read the share sale and purchase agreement and significant related agreements, evaluated the appropriateness of the identification of net assets acquired at the date of acquisition. - Evaluated the independence and competency of independent appraiser. - Involved KPMG valuation specialist to evaluate valuation methodology and financial parameters applied to the discount rate. - Evaluated significant assumptions underpinning the valuations reference to internal and external information and mathematical accuracy. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.

Impairment testing of investment in associates, investment in subsidiaries, oil exploration & production assets and goodwill	
Refer to Notes 3 (l), 11, 12, 15 and 17 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group have investment in many countries and there are risks from various external factors such as the fluctuation in economies, politics and laws. There is a risk that the operating results and the investments might be significantly less than the initial forecast and budget and might result in the assets' carrying value being higher than the recoverable amounts, which might represent losses from impairment.</p> <p>Due to the materiality of the transactions, the management's significant judgment and complexities involved in estimating a recoverable amount of investment in associates, investment in subsidiaries, oil exploration & production assets and goodwill from discounted cash flow method, I considered as the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Understood the management's operation plan, process of the indicators identification and impairment testing process and tested the calculation of recoverable amount prepared by the management. - Assessed the key assumptions estimated by the management with reference to internally and externally derived sources after taking into account the historical forecasting accuracy. - Evaluated the appropriateness of valuation methodology and financial parameters applied to the discount rate. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.

Valuation of inventories	
Refer to Notes 3(f) and 10 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>Inventories are measured at the lower of cost and net realizable value. As a result of fluctuation in crude oil and oil products price which may cause the net realizable value to be lower than cost.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - Evaluated the appropriateness of inventories valuation by management. - Verified the appropriateness of the net realizable value calculation. - Checked the selling prices of finished goods with the reference market price and contract price. - Considered the adequacy of disclosures in accordance with Thai Financial Reporting Standard.

Emphasis of Matter

I draw attention to note 4 (a) to the financial statements. The finalization of the valuation of net assets of an entity in Indonesia which the Group's acquired on 26 July 2017 was completed in July 2018. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2017 after making the adjustments described in notes 4 (a). My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Waiyawat Kosamarnchaiyakij)
 Certified Public Accountant
 Registration No. 6333

KPMG Phoomchai Audit Ltd.
 Bangkok
 21 February 2019

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017 (Restated)	2018	2017
<i>(Baht)</i>					
Current assets					
Cash and cash equivalents	6	11,550,619,801	10,105,882,585	7,215,200,606	6,377,502,249
Current investments	7	262,038,726	219,583,478	200,000,000	200,000,000
Trade accounts receivable	5, 8	6,968,512,202	7,511,391,215	7,115,833,687	7,269,062,297
Other receivables	5, 9	1,642,717,280	1,340,258,455	720,985,758	574,033,248
Inventories	10	15,134,925,066	15,720,387,051	13,346,465,298	13,572,776,104
Current tax assets		256,651,102	52,122,527	241,818,203	-
Oil fuel fund subsidies receivable		1,780,595,544	1,341,318,360	1,780,595,544	1,341,318,360
Total current assets		37,596,059,721	36,290,943,671	30,620,899,096	29,334,692,258
Non-current assets					
Investments in subsidiaries	11	-	-	13,178,856,259	12,610,480,537
Investments in associates and joint ventures	12	18,047,949,575	14,158,227,728	73,000,000	73,000,000
Long-term loans to related parties	5	198,755,025	-	5,127,616,400	2,203,449,000
Other long-term investments	7	1,815,302,043	4,346,729,603	237,183,556	237,044,592
Investment properties	13	126,965,545	343,439,563	682,953,148	899,427,166
Property, plant and equipment	14	48,876,753,705	48,049,135,691	30,007,246,865	27,407,116,878
Goodwill	15	1,602,324,546	1,602,324,546	-	-
Leasehold rights	16	2,900,578,603	2,311,349,372	2,900,578,603	2,311,349,372
Intangible assets	17	3,658,270,853	3,731,498,371	450,756,785	376,361,817
Deferred tax assets	18	827,462,996	1,000,016,270	792,395,875	899,819,559
Other non-current assets	5, 19	1,718,195,225	2,034,880,526	1,761,576,205	1,569,485,942
Total non-current assets		79,772,558,116	77,577,601,670	55,212,163,696	48,587,534,863
Total assets		117,368,617,837	113,868,545,341	85,833,062,792	77,922,227,121

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2018	2017 (Restated)	2018	2017
		(Baht)			
Current liabilities					
Short-term loan from					
financial institutions	20	5,004,251,770	4,046,182,313	3,258,251,770	3,280,298,382
Trade accounts payable	5, 21	6,680,251,253	10,016,080,686	5,943,970,679	8,233,685,896
Other payables	5, 22	3,156,969,925	3,018,367,626	2,359,228,358	2,064,152,507
Current portion of long-term loans					
from financial institutions	20	2,215,713,897	2,218,008,789	350,153,846	325,153,846
Current portion of debenture	20	4,000,000,000	-	4,000,000,000	-
Excise tax and oil fuel fund payable		3,386,701,600	3,036,549,976	3,386,701,600	3,036,549,976
Income tax payable		121,162,314	690,260,109	-	673,475,442
Other current liabilities	5	938,559,168	843,908,987	874,246,676	843,084,803
Total current liabilities		25,503,609,927	23,869,358,486	20,172,552,929	18,456,400,852
Non-current liabilities					
Long-term loans from					
financial institutions	20	18,264,242,477	20,649,009,936	2,725,923,077	3,076,076,923
Debentures	20	20,980,046,802	13,990,269,214	20,980,046,802	13,990,269,214
Deferred tax liabilities	18	466,688,080	589,586,434	-	-
Liabilities on long-term lease		37,863,157	34,210,525	37,863,157	34,210,525
Non-current provisions for					
employee benefits	23	2,053,674,454	1,949,429,755	1,983,783,849	1,867,377,310
Provision for the decommissioning cost		355,355,345	810,724,489	-	-
Other non-current liabilities	5	169,583,507	85,912,750	71,980,567	14,864,190
Total non-current liabilities		42,327,453,822	38,109,143,103	25,799,597,452	18,982,798,162
Total liabilities		67,831,063,749	61,978,501,589	45,972,150,381	37,439,199,014

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2018	2017 (Restated)	2018	2017
(Baht)					
Equity					
Share capital	24				
Authorised share capital		<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>	<u>1,376,923,157</u>
Issued and paid-up share capital		1,376,923,157	1,376,923,157	1,376,923,157	1,376,923,157
Share premium on ordinary shares	25	11,157,460,051	11,157,460,051	11,157,460,051	11,157,460,051
Capital surplus on share reduction	25	189,617,759	189,617,759	189,617,759	189,617,759
Other surpluses	25	1,370,360,559	1,340,485,277	-	-
Surplus from business combination	25	1,170,410,780	1,170,410,780	-	-
Warrants		8,400,091	19,146,999	-	-
Retained earnings					
Appropriated					
Legal reserve	25	153,164,346	153,164,346	153,164,346	153,164,346
Unappropriated		27,453,937,691	27,661,241,130	26,983,747,098	27,605,862,794
Other components of equity		<u>(165,309,358)</u>	<u>2,411,095,017</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the parent		<u>42,714,965,076</u>	<u>45,479,544,516</u>	<u>39,860,912,411</u>	<u>40,483,028,107</u>
Non-controlling interests		6,822,589,012	6,410,499,236	-	-
Total equity		<u>49,537,554,088</u>	<u>51,890,043,752</u>	<u>39,860,912,411</u>	<u>40,483,028,107</u>
Total liabilities and equity		<u>117,368,617,837</u>	<u>113,868,545,341</u>	<u>85,833,062,792</u>	<u>77,922,227,121</u>

(Pichai Chuhavajira)
Chairman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2018	2017 (Restated)	2018	2017
<i>(Baht)</i>					
Revenue from sale of goods and rendering of services	5, 26, 35	192,025,318,117	172,138,240,983	175,036,170,746	161,029,770,008
Cost of sale of goods and rendering of services	5	(180,594,365,584)	(158,595,554,719)	(168,127,680,595)	(151,549,531,461)
Gross Profit		11,430,952,533	13,542,686,264	6,908,490,151	9,480,238,547
Interest income and dividend income	5, 27	55,140,379	155,533,527	1,005,929,422	1,259,316,735
Other income	5, 28	1,259,951,534	1,085,169,827	259,244,694	1,146,745,696
Selling expenses	5, 29	(4,360,312,226)	(4,025,848,209)	(3,028,580,163)	(2,921,201,192)
Administrative expenses	5, 30	(3,015,400,534)	(3,138,177,761)	(1,844,482,084)	(1,756,822,693)
Exploration and evaluation expense		(45,313,805)	(47,854,777)	-	-
Gain (loss) from crude and product oil price hedging contract		(441,941,380)	365,500,470	(328,050,706)	348,474,613
Gain (loss) from foreign currencies forward contract		161,782,598	(225,311,877)	87,191,479	78,876,301
Gain on foreign exchange		415,153,583	889,481,131	462,270,917	812,425,822
Loss from impairment of assets	11	(440,822,936)	(1,518,470,707)	(301,020,595)	(1,283,418,856)
Share of profit of associates and joint ventures	12	254,002,734	573,470,092	-	-
Profit before finance costs and income tax expense		5,273,192,480	7,656,177,980	3,220,993,115	7,164,634,973
Finance costs	33	(1,545,146,230)	(1,452,284,135)	(919,834,053)	(904,013,681)
Profit before income tax expense		3,728,046,250	6,203,893,845	2,301,159,062	6,260,621,292
Income tax expense	34	(493,350,516)	(40,883,861)	(238,346,587)	(108,954,197)
Profit for the year		3,234,695,734	6,163,009,984	2,062,812,475	6,151,667,095
Profit loss attributable to:					
Owners of the parent		2,462,881,096	5,608,134,918	2,062,812,475	6,151,667,095
Non-controlling interests		771,814,638	554,875,066	-	-
Profit for the year		3,234,695,734	6,163,009,984	2,062,812,475	6,151,667,095
Basic earnings per share	36	1.79	4.07	1.50	4.47

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017 (Restated)	2018	2017
	(Baht)			
Profit for the year	3,234,695,734	6,163,009,984	2,062,812,475	6,151,667,095
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(13,679,665)	(421,217,474)	-	-
Gains (losses) on remeasuring available-for-sale investments	(2,589,609,728)	2,721,932,722	-	-
Total items that will be reclassified subsequently to profit or loss	(2,603,289,393)	2,300,715,248	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain (losses) on remeasurments of defined benefit plans	18,105,570	(56,663,458)	-	(58,705,810)
Share of other comprehensive income (loss) of associates	28,020,286	(20,005,900)	-	-
Total items that will not be reclassified subsequently to profit or loss	46,125,856	(76,669,358)	-	(58,705,810)
Other comprehensive income (loss) for the year, net of income tax	(2,557,163,537)	2,224,045,890	-	(58,705,810)
Total comprehensive income for the year	677,532,197	8,387,055,874	2,062,812,475	6,092,961,285
Total comprehensive income (loss) attributable to				
Owners of the parent	(98,779,643)	7,841,242,613	2,062,812,475	6,092,961,285
Non-controlling interests	776,311,840	545,813,261	-	-
Total comprehensive income for the year	677,532,197	8,387,055,874	2,062,812,475	6,092,961,285

(Pichai Chunhavajira)
Chairman

(Chaiwat Kovavisarach)
Chief Executive Officer and President

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of changes in equity

Note	Issued and paid-up share capital	Share premium on ordinary Share	Capital surplus on share reduction	Other surpluses	Surplus from business combination	Warrants	Consolidated financial statements									
							Retained earnings			Other components shareholder's equity						
							Legal reserve	Unappropriated (Baht)	Translating foreign operations	Available-for-sale investments	Share of other comprehensive income (loss) of associates	Total Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
Year ended 31 December 2017																
	Balance at 1 January 2017	1,376,923,157	11,157,460,051	189,617,759	1,612,670,404	-	-	153,164,346	24,931,575,363	(128,187,792)	249,512,843	-	121,325,051	39,542,736,131	4,365,798,539	43,908,534,670
Transactions with owners, recorded directly in equity																
<i>Contributions by and distributions to owners of the parent</i>																
	Share options exercised	-	-	-	11,127,310	-	-	-	-	-	-	-	-	11,127,310	16,229,304	27,356,614
	Share-based payment transactions	-	-	-	8,849,403	-	19,146,999	-	533,177	-	-	-	-	28,529,579	11,821,312	40,350,891
37	Dividends	-	-	-	-	-	-	-	(2,822,340,057)	-	-	-	-	(2,822,340,057)	(399,916,109)	(3,222,256,166)
	Total	-	-	-	19,976,713	-	19,146,999	-	(2,821,806,880)	-	-	-	-	(2,782,683,168)	(371,865,493)	(3,154,548,661)
<i>Changes in ownership interests in subsidiaries</i>																
	Changes in an ownership interests in subsidiaries without a change in control	-	-	-	(292,161,840)	1,170,410,780	-	-	-	-	-	-	-	878,248,940	1,870,752,929	2,749,001,869
	Total	-	-	-	(292,161,840)	1,170,410,780	-	-	-	-	-	-	-	878,248,940	1,870,752,929	2,749,001,869
	Total transactions with owners, recorded directly in equity	-	-	-	(272,185,127)	1,170,410,780	19,146,999	-	(2,821,806,880)	-	-	-	-	(1,904,434,228)	1,498,887,436	(405,546,792)
Comprehensive income (loss) for the year - Restated																
4	Profit - Restated	-	-	-	-	-	-	-	5,608,134,918	-	-	-	-	5,608,134,918	554,875,066	6,163,009,984
	Other comprehensive income (loss)	-	-	-	-	-	-	-	(56,662,271)	(418,096,408)	2,721,932,722	(14,066,348)	2,289,769,966	2,233,107,695	(9,061,805)	2,224,045,890
	Total comprehensive income (loss) for the period - Restated	-	-	-	-	-	-	-	5,551,472,647	(418,096,408)	2,721,932,722	(14,066,348)	2,289,769,966	7,841,242,613	545,813,261	8,387,055,874
	Balance at 31 December 2017 - Restated	1,376,923,157	11,157,460,051	189,617,759	1,340,485,277	1,170,410,780	19,146,999	153,164,346	27,661,241,130	(546,284,200)	2,971,445,565	(14,066,348)	2,411,095,017	45,479,544,516	6,410,499,236	51,890,043,752

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements															
							Retained earnings								Other components shareholder's equity	
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Capital surplus on share reduction	Other surpluses	Surplus from business combination	Warrants	Legal reserve	Unappropriated	Translating foreign operations	Available-for-sale investments	Share of other comprehensive income (loss) of associates	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
								<i>(Baht)</i>								
Year ended 31 December 2018																
Balance at 1 January 2018																
- As previously reported		1,376,923,157	11,157,460,051	189,617,759	1,340,485,277	1,170,410,780	19,146,999	153,164,346	27,831,345,677	(546,284,200)	2,971,445,565	(14,066,348)	2,411,095,017	45,649,649,063	6,482,326,317	52,131,975,380
Effect of the fair value assessment of acquisition of investment	4	-	-	-	-	-	-	-	(170,104,547)	-	-	-	-	(170,104,547)	(71,827,081)	(241,931,628)
Balance at 1 January 2018 - As restated		<u>1,376,923,157</u>	<u>11,157,460,051</u>	<u>189,617,759</u>	<u>1,340,485,277</u>	<u>1,170,410,780</u>	<u>19,146,999</u>	<u>153,164,346</u>	<u>27,661,241,130</u>	<u>(546,284,200)</u>	<u>2,971,445,565</u>	<u>(14,066,348)</u>	<u>2,411,095,017</u>	<u>45,479,544,516</u>	<u>6,410,499,236</u>	<u>51,890,043,752</u>
Transactions with owners, recorded directly in equity																
<i>Contributions by and distributions to owners of the parent</i>																
Share options exercised		-	-	-	21,721,290	-	-	-	-	-	-	-	-	21,721,290	31,876,204	53,597,494
Share-based payment transactions		-	-	-	15,585,779	-	(10,746,908)	-	-	-	-	-	-	4,838,871	2,058,037	6,896,908
Dividends	37	-	-	-	-	-	-	-	(2,684,928,171)	-	-	-	-	(2,684,928,171)	(405,588,092)	(3,090,516,263)
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>37,307,069</u>	<u>-</u>	<u>(10,746,908)</u>	<u>-</u>	<u>(2,684,928,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,658,368,010)</u>	<u>(371,653,851)</u>	<u>(3,030,021,861)</u>
<i>Changes in ownership interests in subsidiaries</i>																
Changes in an ownership interests in subsidiaries without a change in control		-	-	-	(7,431,787)	-	-	-	-	-	-	-	-	(7,431,787)	7,431,787	-
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,431,787)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,431,787)</u>	<u>7,431,787</u>	<u>-</u>
Total transactions with owners, recorded directly in equity		<u>-</u>	<u>-</u>	<u>-</u>	<u>29,875,282</u>	<u>-</u>	<u>(10,746,908)</u>	<u>-</u>	<u>(2,684,928,171)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,665,799,797)</u>	<u>(364,222,064)</u>	<u>(3,030,021,861)</u>
Comprehensive income (loss) for the year																
Profit		-	-	-	-	-	-	2,462,881,096	-	-	-	-	-	2,462,881,096	771,814,638	3,234,695,734
Other comprehensive income (loss)		-	-	-	-	-	-	14,743,636	(6,439,670)	(2,589,609,728)	19,645,023	(2,576,404,375)	(2,561,660,739)	4,497,202	(2,557,163,537)	
Total comprehensive income (loss) for the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,477,624,732</u>	<u>(6,439,670)</u>	<u>(2,589,609,728)</u>	<u>19,645,023</u>	<u>(2,576,404,375)</u>	<u>(98,779,643)</u>	<u>776,311,840</u>	<u>677,532,197</u>	
Balance at 31 December 2018		<u>1,376,923,157</u>	<u>11,157,460,051</u>	<u>189,617,759</u>	<u>1,370,360,559</u>	<u>1,170,410,780</u>	<u>8,400,091</u>	<u>153,164,346</u>	<u>27,453,937,691</u>	<u>(552,723,870)</u>	<u>381,835,837</u>	<u>5,578,675</u>	<u>(165,309,358)</u>	<u>42,714,965,076</u>	<u>6,822,589,012</u>	<u>49,537,554,088</u>

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity

	<i>Note</i>	Separate financial statements				<u>Total equity</u>	
		Issued and paid-up share capital	Share premium	Capital surplus on share reduction	<u>Retained earnings</u>		
					Legal reserve		Unappropriated
<i>(Baht)</i>							
Year ended 31 December 2017							
Balance at 1 January 2017		1,376,923,157	11,157,460,051	189,617,759	153,164,346	24,335,241,566	37,212,406,879
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	37	-	-	-	-	(2,822,340,057)	(2,822,340,057)
Total		-	-	-	-	(2,822,340,057)	(2,822,340,057)
Comprehensive income for the year							
Profit or loss		-	-	-	-	6,151,667,095	6,151,667,095
Other comprehensive income (loss)		-	-	-	-	(58,705,810)	(58,705,810)
Total comprehensive income for the year		-	-	-	-	6,092,961,285	6,092,961,285
Balance at 31 December 2017		1,376,923,157	11,157,460,051	189,617,759	153,164,346	27,605,862,794	40,483,028,107

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of changes in equity

	<i>Note</i>	Separate financial statements				Total equity	
		Issued and paid-up share capital	Share premium	Capital surplus on share reduction	<u>Retained earnings</u>		
					Legal reserve		Unappropriated
<i>(Baht)</i>							
Year ended 31 December 2018							
Balance at 1 January 2018		1,376,923,157	11,157,460,051	189,617,759	153,164,346	27,605,862,794	40,483,028,107
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividends to owners of the Company	37	-	-	-	-	(2,684,928,171)	(2,684,928,171)
Total		-	-	-	-	(2,684,928,171)	(2,684,928,171)
Comprehensive income for the year							
Profit or loss		-	-	-	-	2,062,812,475	2,062,812,475
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	2,062,812,475	2,062,812,475
Balance at 31 December 2018		1,376,923,157	11,157,460,051	189,617,759	153,164,346	26,983,747,098	39,860,912,411

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
		(Restated)		
	<i>(Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	3,234,695,734	6,163,009,984	2,062,812,475	6,151,667,095
<i>Adjustments for</i>				
Income tax expense	493,350,516	40,883,861	238,346,587	108,954,197
Finance costs	1,545,146,230	1,452,284,135	919,834,053	904,013,681
Depreciation	4,456,864,246	4,780,386,370	3,254,990,764	3,222,991,289
Amortisation	445,420,819	355,078,032	377,667,685	301,807,558
(Reversal of) Allowance for bad and doubtful debts expenses	10,618	(361,815)	387,711	(103,961)
Unrealised gain (loss) on foreign exchange	37,934,468	308,060,785	(23,907,255)	252,592,679
Losses on inventories devaluation	696,204,261	7,830,488	688,560,092	-
Loss from impairment of assets	440,822,936	1,518,470,707	301,020,595	1,283,418,856
(Gain) loss on disposal of property, plant and equipment	(760,630,886)	(37,250,562)	22,950,524	(2,052,456)
Loss on disposal of other investments	-	35,409,325	-	37,168,506
Gain on sale of investment in subsidiaries	(78,127,829)	-	-	(247,668,915)
Interest income and dividend income	(55,140,379)	(155,533,527)	(1,005,929,422)	(1,259,316,735)
Non-current provision for employee benefit	189,199,725	191,822,492	159,280,885	164,463,767
Provision for customer loyalty programmes	48,769,481	48,474,324	48,769,481	48,474,324
Deferred revenue	(7,130,622)	(7,062,907)	(7,130,622)	(7,062,907)
Share-based payment transactions	6,896,908	40,350,890	-	-
Share of profit of associates and joint ventures, net of tax	(254,002,734)	(573,470,092)	-	-
Reversal of provisions	-	(137,121,038)	-	-
	<u>10,440,283,492</u>	<u>14,031,261,452</u>	<u>7,037,653,553</u>	<u>10,959,346,978</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	514,434,825	(1,434,348,405)	133,828,682	(793,476,087)
Other receivables	(920,659,553)	(554,557,434)	(493,797,351)	(262,690,298)
Inventories	(399,678,656)	(753,438,932)	(485,574,211)	(135,414,346)
Other non-current assets	(393,724,699)	(387,463,011)	(236,024,451)	(447,251,996)
Trade accounts payable	(2,965,385,746)	1,357,417,421	(2,280,216,225)	(62,141,076)
Other payables	178,096,725	(10,642,557)	315,907,010	46,616,504
Other current liabilities	400,260,238	1,961,458,316	333,216,589	1,880,441,529
Provisions for employee benefits	(47,819,526)	(84,279,171)	(42,874,346)	(79,670,272)
Other non-current liabilities	274,068,415	24,593,900	64,138,531	(24,721,737)
Net cash generated from operating activities	<u>7,079,875,515</u>	<u>14,150,001,579</u>	<u>4,346,257,781</u>	<u>11,081,039,199</u>
Income tax paid, net	<u>(1,129,843,546)</u>	<u>(298,671,186)</u>	<u>(1,046,216,548)</u>	<u>(235,185,222)</u>
Net cash from operating activities	<u>5,950,031,969</u>	<u>13,851,330,393</u>	<u>3,300,041,233</u>	<u>10,845,853,977</u>

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial		Separate financial	
	statements		statements	
	For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017
		(Restated)		
	<i>(Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	47,004,171	135,919,650	45,781,626	118,097,502
Dividend received	66,554,800	64,557,705	940,090,052	1,226,030,306
Decrease (increase) in current investments	(42,455,248)	1,499,736,898	-	800,000,000
Payment for other investments	(100,130,745)	(1,139,795,527)	(3,164,959)	-
Proceeds from disposal of other investments	3,000,000	78,045,709	3,000,000	75,287,845
Net cash outflow from calling up of subsidiary's share capital	-	-	(840,148,380)	-
Net cash outflow from calling up of joint venture's share capital	-	(28,680,000)	-	(28,680,000)
Acquisition of subsidiaries and associates, net of cash acquired	(3,821,979,892)	(13,346,533,566)	-	(2,886,900,680)
Proceeds from sale of investments	730,728,836	-	-	1,632,947,935
Acquisition of property, plant and equipment	(7,705,262,705)	(5,522,471,897)	(5,618,951,357)	(4,147,131,960)
Proceeds from sale of property, plant and equipment	3,030,875,431	499,323,552	26,263,291	10,958,290
Loans to related parties	(198,755,025)	-	(3,823,730,644)	(90,000,000)
Proceeds from loan to related party	-	-	818,000,000	431,904,000
Payment for leasehold right	(805,116,424)	(563,902,108)	(805,116,424)	(563,902,108)
Proceeds from leasehold right	-	4,800,000	-	4,800,000
Acquisition of intangible assets	(304,046,743)	(641,418,661)	(180,435,451)	(131,749,262)
Net cash used in investing activities	(9,099,583,544)	(18,960,418,245)	(9,438,412,246)	(3,548,338,132)
<i>Cash flows from financing activities</i>				
Financial cost paid	(1,617,613,105)	(1,305,329,325)	(1,019,568,613)	(754,141,303)
Dividend paid	(3,090,516,263)	(3,310,745,787)	(2,684,928,171)	(2,822,340,057)
Increase (decrease) in short-term loans from financial institutions	981,714,225	(3,937,315,260)	5,720,000	(3,915,780,000)
Payment of change in ownership interest in subsidiary without a change in control	-	(34,522,552)	-	-
Proceeds from exercise of share options	53,597,494	27,356,613	-	-
Proceeds from issuance of debentures	11,000,000,000	-	11,000,000,000	-
Redemption of debenture	-	(2,000,000,000)	-	(2,000,000,000)
Proceeds from long-term loans from financial institutions	1,628,848,750	8,868,343,275	-	-
Repayment of long-term loans from financial institutions	(4,231,101,209)	(2,069,004,166)	(325,153,846)	(300,153,846)
Net cash from (used in) financing activities	4,724,929,892	(3,761,217,202)	6,976,069,370	(9,792,415,206)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	1,575,378,317	(8,870,305,054)	837,698,357	(2,494,899,361)
Effect of exchange rate changes on cash and cash equivalents	(130,641,101)	(310,462,619)	-	-
Net increase (decrease) in cash and cash equivalents	1,444,737,216	(9,180,767,673)	837,698,357	(2,494,899,361)
Cash and cash equivalents at 1 January	10,105,882,585	19,286,650,258	6,377,502,249	8,872,401,610
Cash and cash equivalents at 31 December	11,550,619,801	10,105,882,585	7,215,200,606	6,377,502,249

(Pichai Chunhavajira)

Chairman

(Chaiwat Kovavisarach)

Chief Executive Officer and President

The accompanying notes are an integral part of these financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Acquisition of investment in associate and restatement
5	Related parties
6	Cash and cash equivalents
7	Investments
8	Trade accounts receivable
9	Other receivables
10	Inventories
11	Investments in subsidiaries
12	Investments in associate and joint ventures
13	Investment property
14	Property, plant and equipment
15	Goodwill
16	Leasehold rights
17	Intangible assets
18	Deferred tax
19	Other non-current assets
20	Interest-bearing liabilities
21	Trade accounts payable
22	Other payables
23	Non-current provisions for employee benefits
24	Share capital
25	Surplus and reserves
26	Operating segments
27	Interest and dividend income
28	Other income
29	Selling expenses
30	Administrative expenses
31	Employee benefit expenses
32	Expense by nature
33	Finance costs
34	Income tax
35	Promotional privileges
36	Earnings per share
37	Dividends
38	Financial instruments
39	Commitments with non-related parties
40	Contingent liabilities and contingent assets
41	Events after the reporting period
42	Thai Financial Reporting Standards (TFRS) not yet adopted
43	Reclassification of accounts

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 21 February 2019.

1 General information

Bangchak Corporation Public Company Limited, the “Company” was incorporated in Thailand and listed on the Stock Exchange of Thailand which has its registered office as follows:

Head office : 2098 M Tower Building, 8th Floor, Sukhumvit Road, Phra Kanong Tai, Phra Kanong, Bangkok.

Refinery plant : 210 Moo 1, Soi Sukhumvit 64, Sukhumvit Road, Phra Kanong Tai, Phra Kanong, Bangkok.

As at 31 December 2018, major shareholders of the Company during the period were Vayupak Fund 1 and Social Security Office holding 14.66% and 14.46% of issued and paid-up capital, respectively (*31 December 2017: 14.46% and 13.60%, respectively*).

The principal businesses of the Group are operating an oil refinery and marketing the finished products through its service stations under its company’s brand. The Group’s oil market includes consumers in various sectors, such as transportation, aviation, shipping, construction, industrial, agriculture and sale of oil is also made through the major and the minor oil traders, production and distribution of electricity from solar cell and investment in alternative energy business, manufacturing and distributing of biofuel product and relating products and exploration and production of petroleum.

Details of the Company’s subsidiaries as of 31 December 2018 and 2017 were disclosed in note 5 and 11 to the financial statements.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 42.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated described in accounting policy.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2018 is included in the following notes:

Note 4, 12	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis
Note 11, 12, 15, 17	Impairment test: key assumption underlying recoverable amounts
Note 18	Recognition of deferred tax assets: availability of future taxable profit against with tax losses carried forward can be used
Note 23	Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in note 38.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associate and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income:

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivatives

Derivatives are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

(d) Hedging

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates. Transaction fee and discounts are amortised to profit and loss on a straight-line basis over the life of the agreements.

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

Hedge of oil prices

Difference between the fixed prices of contracts and the settlement prices are recognised in the statement of income in the period in which the contracts mature.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits, highly liquid short-term investments and bank overdrafts that are repayable on demand are a component of for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in associates, subsidiaries and joint ventures

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

No depreciation is provided on land.

(i) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	10 - 50 years
Machinery, equipment refinery plants and terminal	2 - 30 years
Equipment solar plants	10 - 25 years
Marketing and office equipment	3 - 20 years
Vehicles	5 - 7 years

No depreciation is provided on freehold land, platinum catalyst and assets under construction.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Oil and Gas Properties

When the technical and commercial feasibility of an undeveloped oil or gas field has been demonstrated, the field enters its development phase. The costs of oil and gas assets are transferred from exploration and evaluation expenditure and reclassified into development phase.

The costs of oil and gas properties include past exploration and evaluation costs, pre-production development costs and the ongoing costs of continuing to develop reserves for production as well as decommission costs.

Depletion charges are calculated using a unit of production method over the life of the estimated Proved plus Probable reserves.

(j) Leasehold right

Leasehold rights are the rights obtained from the land lease contracts, which are amortised on a straight-line method over the contractual period.

Leasehold rights are presented at cost deducted by accumulated amortisation and impairment losses.

(k) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized after profit or loss as incurred.

Amortizations

Amortization is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The estimated useful lives for the current and comparative years are as follows:

Right to use and cost of development of computer software	3 - 10	years
Feed-in Tariff power purchase agreement	10 - 20	years
Right to connect electrical transmission line	20 - 25	years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is stated at cost as intangible assets and is accumulated in respect of each identifiable area of interest. These costs are capitalised until the viability of the area of interest is determined.

Accumulated costs in relation to an abandoned area are written off through profit or loss in the period in which the decision to abandon the area is made.

Once an area of interest enters the development phase, exploration and evaluation expenditures are transferred to oil and gas properties.

(l) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(o) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed every 3 years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(q) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(s) *Revenue*

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Income from sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied as stipulated in the contract. Income from the sale of electricity for some entities within Thailand is entitled to receive ADDER for a period of 10 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

Income from operating rights

Income from operating right is recognised in accordance with the timing of the rights utilization and with conditions as stipulated in the contract.

Loyalty programmes

The Group has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount or qualify for a free gift. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

(t) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(u) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(v) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(x) Segment reporting

Segment results that are reported to the Group's president (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Business combination and restatement

(a) Acquisition of investment in associate and restatement in Star Energy Group Holdings Pte. Ltd.

On 26 April 2017, BCPG Public Company Limited, a subsidiary of the Company, signed the Share Purchase Agreement with Star Energy Investments Ltd. ("Seller") to acquire 280,000 shares of Star Energy Group Holdings Pte. Ltd. or approximately 33.33% of the total issued and paid-up shares to invest in geothermal power plant projects which owns operating 158 MW power plant projects and a development of 24 MW, located in Indonesia. On 26 July 2017, the Company and the Seller completed the conditions precedent in accordance with Share Purchase Agreement, the Company settled the payment of USD 356 million (approximately Baht 11,956 million) for the shares and received the share transfer of Star Energy Group Holdings Pte. Ltd. Management believes that by acquired this investment will enable the group to expand their investment in other renewable energy business in South-East Asia.

TFRS required Management to make preliminary assessment of the fair values of the assets, liabilities and contingent liabilities specified at the acquisition date. The Group hired an independent appraiser to determine the fair value of assets and liabilities acquired during the measurement period, which must not exceed one year from the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the valuation of net assets of investment was completed in July 2018.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The following summarises the major classes of consideration transferred, and the fair value of net assets acquired (liabilities) assumed at the acquisition date as interest in Group of subsidiary investment:

	Recognized value as proportionate of acquisition	Adjustments <i>(in million Baht)</i>	Fair value
Power purchase agreements and concession right	117,577	(36,596)	80,981
Property, plant and equipment	33,033	3,721	36,754
Finance lease liabilities	21,486	(4,780)	16,706
Deferred tax liabilities	(56,186)	12,259	(43,927)
Other net assets (liabilities) acquired	(49,884)	-	(49,884)
Total identifiable assets (liabilities)	66,026	(25,396)	40,630
<i>Less</i> other shareholders' interests	(53,774)	20,727	(33,047)
Net identifiable assets (liabilities)	12,252	(4,669)	7,583
Gain on bargain purchase (recognised in share of profit of associates in 2017)	(296)	296	-
Goodwill	-	4,373	4,373
Consideration transferred - cash	11,956	-	11,956

The valuation techniques used for measuring the fair value of material assets acquired are as follows.

- The fair value of power purchase agreements and concession right was determined based on income approach using Multi-period Excess Earning Method (MEEM) with operating period under power purchase agreement and related conditions. Key assumptions included forecast revenue and discount rate.
- The fair value of property plant and equipment's was determined based on market approach.

The changes in fair value adjustment of net assets (liabilities) acquired at the acquisition date is mainly from the change in fair value of power purchase agreements and concession right. At the acquisition date in Star Energy Group Holding Pte. Ltd. (SEGHPL), certain SEGHPL's subsidiary has already been granted an approval on electricity price increase since 2016 and others subsidiaries are in process of getting an approval. The management estimated the fair value based on the information received at the time. However, at the end of second quarter of 2018, the company has received additional information that the increase in electricity price process was delayed. Furthermore, TFRS allow not later than one year period of remeasurement the fair value from the acquisition date. Therefore, it was resulted to recognise the difference between the considerations paid and fair value of net identified assets and liabilities determined by an independent appraiser as the goodwill of Baht 4,373 million, included in investment in associates in the consolidated statement of financial position.

The consolidated financial statements as at 31 December 2017 included in these financial statements have been restated to reflect new information obtained about facts and circumstances that existed as of the acquisition date and the subsequently recognised adjustments as follows;

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The impacts to the consolidated statement of financial position as at 31 December 2017:

	<i>(in million Baht)</i>
<i>Asset</i>	
Investment in associate decrease	(242)
Total	(242)
<i>Equity</i>	
Retained earnings decrease	(170)
Equity of the Company decrease	(170)
Non-controlling interests decrease	(72)
Total equity decrease	(242)

The impacts to the consolidated statement of income for the year ended 31 December 2017:

	<i>(in million Baht)</i>
Decrease in share of profit of investments in associates	(242)
Decrease in profit for the year	(242)
Profit attributable to	
Decrease in attributable to owners of the Company	(170)
Decrease in attributable to non-controlling interests	(72)
Decrease in profit for the year	(242)
Decrease in basic earnings per share (Baht)	(0.12)

The impacts to the consolidated statement of cash flows for the year ended 31 December 2017:

	<i>(in million Baht)</i>
<i>Cash flows from operating activities</i>	
Decrease in profit for the year	(242)
<i>Adjustments for</i>	
Decrease in share of profit of associates, net of tax	242
Net change in cash flows	-

(b) Acquisition of investment in associate in OKEA AS

At the Board of director meeting of the Company held on 14 June 2018, the meeting approved the Company's investment plan to establish BCPR Co., Ltd. which is a subsidiary in Thailand. BCPR Co., Ltd. established an indirect subsidiary in Singapore ("BCPR Pte. Ltd.") for the purpose of jointly invest with Seacrest Capital Group through the investment by means of subscribing new shares of OKEA AS, a company established under Norwegian law, which has developed and produced petroleum in Norway. Subsequently, On 21 November 2018, BCPR Pte. Ltd. subscribed for newly issued shares of OKEA at the total investment amount of NOK 939 million (or approximately THB 3,618 million). Calculated as 49.33% of total authorised share capital in OKEA and received the shares.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The Group holds 43% ordinary shares and also hold non-voting right ordinary shares which can be converted to ordinary shares at any time. Effectively, the Group will be holding 49.33% of total OKEA AS authorized share capital. Even if the Group is a major shareholder of the OKEA AS, however, the Group are unable to solely direct key relevant activities of OKEA AS and the Group has just completed this investment for only one month, therefore there is no past events or significant indicators indicating the Group's control over key relevant activities. The management considered the interest in OKEA in accordance with TFRS 10 and concluded the Group has significant influence but no right to control directly.

The Group hired an independent appraiser to determine the fair value of assets and liabilities acquired at that date. However, the report on the fair value of net assets acquired from acquisition of investment in associate has not yet been finalized, for which reason the net assets acquired are provisionally recognised at value based on management estimates. The result of the appraisal will be used to amend the accounting at fair value and to record the final determination of net assets acquired in the period that the report of the independent appraiser is received.

The following summarises the consideration transferred to acquire of investment, and the fair value of net assets acquired (liabilities) assumed at the acquisition date as interest in Group's investment:

	Recognized value as proportionate of to the acquisition (in million Baht)
Trade and other receivable	5,791
Exploration and production of petroleum assets	1,941
Long-term loan from financial institution	(4,735)
Other net assets (liabilities)	(345)
Total identifiable net assets acquired (liabilities)	2,652
Goodwill	966
Consideration transferred – cash	3,618

The fair value of exploration and production of petroleum assets was determined based on income approach. Key assumptions included forecast oil and gas price, oil reserve, production capacity and discount rate.

Acquisition-related costs

The Group incurred acquisition-related costs of Baht 44 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Relationship with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Major shareholders</i>		
Vayupak Fund 1	Thailand	Some common directors
Social Security Office	Thailand	Some common directors
<i>Subsidiaries or indirect subsidiaries</i>		
Bangchak Green Net Co., Ltd.	Thailand	Representative from the Company as director
BCPG Public Company Limited	Thailand	Representative from the Company as director
BBGI Public Company Limited (Former as BBGI Company Limited)	Thailand	Representative from the Company as director
Bangchak Retail Co., Ltd.	Thailand	Representative from the Company as director
BCPR Co., Ltd.	Thailand	Representative from the Company as director
BCV Bio Based Co., Ltd.	Thailand	Representative from the Company as director
BCV Energy Co., Ltd.	Thailand	Representative from the Company as director
BCV Innovation Co., Ltd.	Thailand	Representative from the Company as director
BCV Partnership Co., Ltd.	Thailand	Representative from the Company as director
BCP Energy International Pte. Ltd.	Singapore	Representative from the Company as director
BCP Innovation Pte. Ltd.	Singapore	Representative from the Company as director
BCP Trading Pte. Ltd.	Singapore	Representative from the Company as director
BCPR Pte. Ltd.	Singapore	Representative from the Company as director
Bangchak Solar Energy Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Prachinburi) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Chaiyaphum1) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Buriram) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Buriram1) Co., Ltd.	Thailand	Representative from the subsidiary as director
Bangchak Solar Energy (Nakhon Ratchasima) Co., Ltd.	Thailand	Representative from the subsidiary as director
BCPG Biopower 1 Co., Ltd.	Thailand	Representative from the subsidiary as director
BCPG Biopower 2 Co., Ltd.	Thailand	Representative from the subsidiary as director
Lomligor Co., Ltd.	Thailand	Representative from the subsidiary as director

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Subsidiaries or indirect subsidiaries (Continue)</i>		
BCPG Investment Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
BSE Energy Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
BCPG Japan Corporation	Japan	Representative from the subsidiary as director
Greenergy Holdings Pte. Ltd.	Singapore	Representative from the subsidiary as director
Greenergy Power Pte. Ltd.	Singapore	Representative from the subsidiary as director
Tarumizu Solar Solutions Godo Kaisha	Japan	Representative from the subsidiary as director
Nakatsugawa PV Godo Kaisha	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Godo Kaisha Inti	Japan	Representative from the Subsidiary as director
Takamori PV Godo Kaisha	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Nojiri PV Godo Kaisha	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Godo Kaisha Aten	Japan	Representative from the Subsidiary as director
Nikaho PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Gotenba 2 PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Horus	Japan	Representative from the Subsidiary as director
Yabuki PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Komagane PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Helios	Japan	Representative from the Subsidiary as director
Godo Kaisha Lugh	Japan	Representative from the Subsidiary as director
Godo Kaisha Phoenix	Japan	Representative from the Subsidiary as director
Gotenba 1 PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Komagane Land Lease Godo Kaisha	Japan	Representative from the Subsidiary as director
Nagi PV Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Natosi	Japan	Representative from the Subsidiary as director
Godo Kaisha Amaterasu	Japan	Representative from the Subsidiary as director

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Subsidiaries or indirect subsidiaries (Continue)</i>		
Godo Kaisha Mithra	Japan	Representative from the Subsidiary as director
Godo Kaisha Sol	Japan	Representative from the Subsidiary as director
Godo Kaisha Saule	Japan	Representative from the Subsidiary as director
Godo Kaisha Shamash	Japan	Representative from the Subsidiary as director
Godo Kaisha Pusan	Japan	Representative from the Subsidiary as director
Godo Kaisha Apolo	Japan	Representative from the Subsidiary as director
Godo Kaisha Surya	Japan	Representative from the Subsidiary as director
Nagi Land Lease Godo Kaisha	Japan	Representative from the Subsidiary as director
Godo Kaisha Rang	Japan	Representative from the Subsidiary as director
Godo Kaisha Dazbog	Japan	Representative from the Subsidiary as director
Godo Kaisha Narang	Japan	Representative from the Subsidiary as director
Godo Kaisha Malina	Japan	Representative from the Subsidiary as director
Godo Kaisha Legba	Japan	Representative from the Subsidiary as director
J2 Investor Godo Kaisha	Japan	Representative from the Subsidiary as director
J1 Investor Godo Kaisha	Japan	Representative from the Subsidiary as director
BCPG Engineering Company	Japan	Representative from the Subsidiary as director
Godo Kaisha Tarumi Takatoge	Japan	Indirect Subsidiary of the subsidiary, affiliate in TK investment
Huang Ming Japan Company Limited	Japan	Representative from the Subsidiary as director
BCPG Wind Cooperatief U.A.	Netherland	Representative from the Subsidiary as director
KSL Green Innovation Public Company Limited	Thailand	Representative from the Company as director
Bangchak Biofuel Co., Ltd.	Thailand	Representative from the Company as director
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	Thailand	Representative from the Company as director
Nido Petroleum Pty. Ltd. Group	Australia/ British Virgin Islands/ Bahrain	Representative from the Subsidiary as director

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Name of entities	Country of incorporation/ nationality	Nature of relationships
<i>Indirect associates and joint venture</i>		
Bongkot Marine Services Co., Ltd.	Thailand	Representative from the Company as director
Oam Suk Social Enterprise Co., Ltd.	Thailand	Representative from the Company as director
Ubon Bio Ethanol Public Company Limited (Formerly: Ubon Bio Ethanol Co., Ltd.)	Thailand	Representative from the Subsidiary as director
Ubon Agricultural Energy Co., Ltd.	Thailand	Representative from the Subsidiary as director
PetroWind Energy Inc.	Philippines	Representative from the Subsidiary as director
Star Energy Group Holdings Pte. Ltd.	Singapore	Representative from the Subsidiary as director
OKEA AS	Norway	Representative from the Company as director
<i>Other related parties</i>		
Fuel Pipeline Transportation Ltd.	Thailand	Representative from the Company as director
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below

Transactions	Pricing policies
Sale of goods	Market price/ Contractually agreed prices
Rendering of service	Contractually agreed prices
Purchase of goods/raw materials	Market price/ Contractually agreed prices
Receiving of services	Contractually agreed prices
Management service fee	Contractually agreed prices
Royalty expense	Contractually agreed prices
Interest expense	Contractually agreed rate with reference to market rate and contract rate

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Significant transactions with related parties for the year ended 31 December as follows;

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Subsidiaries and indirect subsidiaries				
Sales of goods	-	-	42,272	34,168
Purchases of goods	-	-	28,891	13,026
Dividend income	-	-	916	994
Other income	-	-	239	105
Interest income	-	-	28	136
Other expenses	-	-	37	62
Indirect associates and joint ventures				
Sales of goods	12	28	12	28
Purchases of goods	1,368	1,488	1,368	1,488
Dividend income	-	-	24	21
Other income	75	-	-	-
Other expenses	490	261	490	261
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	314	268	148	146
Post-employment benefits and other long-term benefits	34	40	8	7
Share-based payments	1	22	-	-
Total key management personnel compensation	349	330	156	153
Other related party				
Dividend income	-	1	-	1
Other income	5	5	5	5
Interest income	5	-	-	-
Pipeline transportation expenses	443	442	443	442

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Trade accounts receivable - related parties				
Subsidiaries and indirect subsidiaries	-	-	2,218	1,704
Direct and indirect associate	2	2	2	2
Total	2	2	2,220	1,706
Less allowance for doubtful accounts	-	-	-	-
Net	2	2	2,220	1,706
Bad and doubtful debts expense for the year				
	-	-	-	-

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Other receivables - related parties				
Subsidiaries and indirect subsidiaries	-	-	27	15
Indirect associate and joint ventures	74	43	-	-
Other related party	5	-	-	-
Total	79	43	27	15

Loans to related parties	Interest rate		Consolidated		Separate	
	2018	2017	financial statements	financial statements	financial statements	financial statements
			2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in million Baht)</i>			
Long-term loans						
Subsidiaries						
Bangchak Retail Co., Ltd.	4.2	4.2	-	-	410	90
BCP Innovation Pte. Ltd.	4.5	-	-	-	198	-
Indirect subsidiary						
Nido Petroleum Pty. Ltd.	0.5	0.5 - 7.5	-	-	1,291	2,113
BCPR Pte. Ltd.	0.5	-	-	-	3,229	-
Other related party						
Lithium Americans Corp.	8.0	-	199	-	-	-
			199	-	5,128	2,203
<i>Less current portion due within one year</i>			-	-	-	-
Total loans to related parties			199	-	5,128	2,203

Movements during the year ended 31 December of loans to related parties were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Long-term loans to related parties				
At 1 January	-	-	2,203	2,789
Increase	198	-	3,824	90
Decrease	-	-	(818)	(432)
Effect of change in exchange rates	1	-	(81)	(244)
<i>Less current portion due within one year</i>	-	-	-	-
At 31 December	199	-	5,128	2,203
Other non-current assets				
Indirect subsidiary	-	-	325	313
Other related party	10	14	10	14
Total	10	14	335	327

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Trade accounts payable - related parties</i>				
Subsidiaries and indirect subsidiaries	-	-	829	646
Indirect associate	110	129	110	129
Total	110	129	939	775
<i>Other payable - related parties</i>				
Subsidiaries and indirect subsidiary	-	-	9	13
Joint ventures	13	13	13	13
Other related parties	43	43	43	43
Total	56	56	65	69
<i>Other current liabilities</i>				
Subsidiaries	-	-	6	6
Total	-	-	6	6
<i>Other non-current liabilities</i>				
Other related party	2	3	2	3
Total	2	3	2	3

Significant agreements with related parties

Fuel Pipeline Transportation Agreement

The Company entered into a Fuel Pipeline Transportation Agreement with a related company. The related company will provide transportation service of fuel products to Don-muang and Suvarnabhumi International Airport and transportation service for petroleum products to fuel depot at Bang-pa-in. The agreement has no specified expiry date and can be terminated by either party by giving at least 60 days written notice for termination to the other party.

Oil Terminal Rental Agreement

The Company has entered into an Oil Terminal Rental Agreement with a joint venture. The rental fee is stipulated in the agreement which will be expired in 2022.

Bio-diesel Sales and Purchase Agreement

The Company entered into a Bio-diesel Sales and Purchase Agreement with an indirect subsidiary. Such agreement has effective since April 2018 to October 2027 and will be automatically renewed unless terminated by either party as stipulated in the agreement. The Company will purchase bio-diesel oil at yearly average volumes not less than 60% of maximum bio-diesel production capacity of indirect subsidiary at the price reference to market as stipulated in the agreement.

Denature Ethanol Sales and Purchase Agreement

The Company entered into a Denatured Ethanol Sales and Purchase Agreement with a subsidiary. Such agreement has effective since April 2018 to October 2027 and will be automatically renewed unless terminated by either party as stipulated in the agreement. The Company will purchase denatured ethanol at yearly average volumes not less than 50% of denatured ethanol production per

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

year of the indirect subsidiary within the same Group at the price reference to market as stipulated in the agreement.

Fuel Product Sale and Purchase Agreement

The Company entered into a fuel product sale and purchase agreement with a subsidiary. The Company will purchase fuel product at quantity and price in accordance with obligation under the agreement.

Service Station Operating Right Agreement

The Company entered into Service Station Operating Right Agreement which include the right to operate related business within service station, selling and purchasing of fuel products with a subsidiary for a period of 5 years. Operating right fee and sale and purchase price are as stipulated in the agreement.

Store Operation Right Agreement

The Company entered into Store Operation Right Agreement with a subsidiary to operate retail stores within service stations under the Company's brand for a period of 5 years. Fee is as stipulated in the agreement.

Information Technology Service Agreement

The Company has entered into information technology service agreements with subsidiaries and indirect subsidiaries. The agreement term commence in August 2017 and is effective for 1 year and 5 months and will be reviewed annually. The Company is responsible for management information system, system structure, maintenance system and advisory in accordance with subsidiaries' direction. Service fees is as stipulated in the agreement.

Management Service Agreement

The Company entered into management service agreement with subsidiaries and indirect subsidiaries for general management service for a period of 1 to 3 years. The Company agreed to provide human resources to manage operation process in accordance with subsidiaries' direction. Service fees is as stipulated in the agreement.

Land Rental Agreement

The Company has entered into land rental agreement with BCPG Public Company Limited, a subsidiary for the purpose of 38 MW solar farm project at Bang Pa-In establishment and related objectives. The agreement term is for a period of 22 years effective from 1 December 2015 to 30 November 2037. The rental fee is stipulated in the same agreement.

The Company has entered into additional land rental agreement with BCPG Public Company Limited, a subsidiary for the purpose of related objectives of solar farm project. The agreement term is for a period of 21 years 2 months effective from 1 October 2016 to 30 November 2037. The rental fee is stipulated in the same agreement.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Building Space and Control Room Rental Agreement

The Company has entered into building space, control room and electricity system room rental agreement related to 38 MW solar farm project at Bang Pa-In with BCPG Public Company Limited, a subsidiary of the company. The agreement term is for a period of 3 years effective from 1 December 2015 to 30 November 2018. The rental fee is stipulated in the agreement. Subsequently, the Company has entered into the new building space, control room and electricity system room rental agreement to extend the agreement term is effective from 1 December 2018 to 31 January 2019. The rental fee is stipulated in the agreement.

Joint Development Area Agreement

The Company has entered into operating rights agreement with a subsidiary to operate a service and product distribution in service station under its subsidiary's operation for a period of not exceeding 20 years. The subsidiary agrees to pay operating right fee as stipulated in the agreement.

Lending Agreement

The Company has an unsecured lending agreement with Nido Petroleum Pty. Ltd., an indirect subsidiary of the Company for the credit facility of USD 120 million. The loan bears interest and repayment schedule as stipulated in the agreement. Subsequently, the Company has restructured a loan with the subsidiary by revision of interest rate and repayment conditions.

The Company has an unsecured lending agreement with Bangchak Retail Company Limited, a subsidiary of the Company for the credit facility of Baht 500 million. The loan bears interest and repayment schedule as stipulated in the agreement.

The Company has an unsecured lending agreement with BCP Innovation Pte. Ltd. "BCPI", a subsidiary of the Company for the credit facility of USD 80 million. The loan bears interest and repayment schedule as stipulated in the agreement. BCPI has entered into Amended and Restated Credit and Guarantee Agreement with Lithium Americas Corp. "LAC" to grant LAC a credit facility of USD 80 million for investment in Project Cauchari-Olaroz (Phase I). Such loan bears interest and repayment schedule as stipulated in the agreement.

The Company has an unsecured lending agreement with BCPR Pte. Ltd., an indirect subsidiary of the Company for the credit facility of USD 120 million. The loan bears interest and repayment schedule as stipulated in the agreement.

Crude Oil Forward Contract

The Company has entered into a crude oil forward contract with a certain indirect subsidiary. The Company will purchase crude oil at quantity and price in accordance with obligation under the agreement.

Guarantee Agreement

BCPG Public Company Limited, a subsidiary of the Company has entered into guarantee agreement with BCPG Engineering Company, an indirect subsidiary of the Company, in accordance with solar power system operation and maintenance of power system from solar energy contract which BCPG Engineering Company has with Tarumizu Solar Solution Godo Kaisha in the event that BCPG Engineering Company causes damage to the assets within the power plant of Tarumizu Solar Solutions Godo Kaisha and is not able to compensate. The guarantee agreement is JPY 28 million per annum respectively, with a guarantee facility totalling JPY 280 million, covering the period of operation and maintenance of power system from solar energy contract. Under the conditions within

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

the loan agreement between Tarumizu Solar Solutions Godo Kaisha and certain financial institution, it is specified that the parent company is responsible for the guarantee of possible damage loss.

BCPG Public Company Limited, a subsidiary of the Company has signed the Amendment and Restatement and Novation Agreement (Sponsor Support Agreement) for the purpose of changing the sponsor for Bangchak Solar Energy Company Limited, an indirect subsidiary of the Company under Sponsor Support Agreement from Bangchak Corporation Public Company Limited to BCPG Public Company Limited, with a facility of Baht 700 million. Through the Sponsor Support Agreement, BCPG Public Company Limited guarantees the facility.

Lithium Purchase Agreement

BCPI and LAC have entered into Lithium Purchase Agreement. Such agreement grants BCPI the right to purchase 20 percent of all LAC right from Project Cauchari-Olaroz (Phase I) for 20 years from the commencement operation date. However, the Company has an obligations according to the agreement in case of BCPI is unable to pay the lithium purchase.

6 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Cash on hand	102	187	-	1
Cash at banks - current accounts	1,412	1,237	265	289
Cash at banks - savings accounts	5,955	5,149	2,950	2,588
Highly liquid short-term investments	4,082	3,533	4,000	3,500
Total	11,551	10,106	7,215	6,378

As at 31 December 2018, certain indirect subsidiaries has a restricted deposits at financial institution totaling Baht 230 million (*2017: Baht 273 million*) under the long-term loan agreement with several financial institutions which required such indirect subsidiaries to obtain a permission on withdrawal of restricted deposits with the financial institution.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

7 Investments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Current investments				
Short-term deposits at financial institutions	262	220	200	200
	262	220	200	200
Other long-term investments				
Available-for-sale equity security				
Lithium Americas Corp.	1,432	4,061	-	-
Non-marketable equity securities				
Fuel Pipeline Transportation Ltd.	234	234	234	234
Others	146	49	-	-
Non-marketable equity securities - net	1,812	4,344	234	234
Debt securities held to maturity				
Government bonds	3	3	3	3
Add: Premium on investments	-	-	-	-
Debt securities held to maturity - net	3	3	3	3
Other long-term investments	1,815	4,347	237	237
Total	2,077	4,567	437	437

Movement of available-for-sale equity security during the year ended 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Other long-term investments				
Available-for-sale securities				
At 1 January	4,061	429	-	-
Increase	-	1,089	-	-
Disposal	-	(1)	-	-
Valuation adjustment	(2,590)	2,722	-	-
Effect of change in exchange rate	(39)	(178)	-	-
At 31 December	1,432	4,061	-	-

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in million Baht)</i>			
Related parties	5	2	2	2,220	1,706
Other parties		6,980	7,529	4,909	5,583
Total		6,982	7,531	7,129	7,289
<i>Less: allowance for doubtful accounts</i>		<i>(13)</i>	<i>(20)</i>	<i>(13)</i>	<i>(20)</i>
Net		6,969	7,511	7,116	7,269
Bad and doubtful debts expense for the year		-	-	-	-

Aging analyses for trade accounts receivable were as follows:

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
Related parties					
Within credit terms		2	2	2,220	1,706
<i>Less: allowance for doubtful accounts</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net		2	2	2,220	1,706
Other parties					
Within credit terms		6,256	7,215	4,654	5,314
Overdue:					
Less than 3 months		678	282	229	246
3 - 6 months		11	5	3	-
6 - 12 months		15	7	8	3
Over 12 months		20	20	15	20
		6,980	7,529	4,909	5,583
<i>Less: allowance for doubtful accounts</i>		<i>(13)</i>	<i>(20)</i>	<i>(13)</i>	<i>(20)</i>
Net		6,967	7,509	4,896	5,563
		6,969	7,511	7,116	7,269

The normal credit term granted by the Group ranges from 1 days to 90 days.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

9 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
Related parties	5	79	43	27	15
Other parties					
Receivable from oil hedging contracts		40	150	40	150
Receivable from forward exchange contracts		161	-	87	-
Prepaid expenses		132	117	58	61
Advance payment		223	284	-	-
Receivable from revenue department		537	308	304	97
Other accounts receivable		471	438	205	251
Total		1,643	1,340	721	574

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Crude oil and other raw materials	8,214	8,609	7,648	7,464
Finished oil products	6,575	5,932	5,544	5,255
Materials and supplies	1,047	1,060	992	979
Consumer products	72	103	-	-
Semi - finished products	87	156	-	-
	15,995	15,860	14,184	13,698
Less: allowance for obsolete and slow moving	(149)	(125)	(149)	(125)
allowance for decline in value	(711)	(15)	(689)	-
Net	15,135	15,720	13,346	13,573
Cost of inventories which is recognized as an expense and included in cost of sale of goods (Note 32)				
- Cost	105,714	95,252	98,282	88,628
- Write-down to net realisable value	696	8	689	-
Total	106,410	95,260	98,971	88,628

As at 31 December 2018 and 2017, the Company's inventories included petroleum legal reserve of 389 million liters with approximated value of Baht 5,873 million and 408 million liters with approximated value of Baht 5,602 million, respectively.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

11 Investments in subsidiaries

	Separate financial statements	
	2018	2017
	<i>(in million Baht)</i>	
At 1 January	12,610	11,639
Increase	840	2,886
Disposals	-	(622)
Impairment losses	(271)	(1,293)
At 31 December	13,179	12,610

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income from the investment for the years then ended were as follows:

	Ownership interest		Paid-up capital		Separate financial statements				At cost - net		Dividend income	
	2018	2017	2018	2017	Cost	Cost	Impairment	Impairment	2018	2017	2018	2017
	(%)				2018	2017	2018	2017				
					<i>(in million Baht)</i>							
Subsidiaries												
Bangchak Green Net Co., Ltd.	49.00	49.00	1	1	-	-	-	-	-	-	20	49
BCPG Public Co., Ltd.	70.11	70.27	9,984	9,962	7,000	7,000	-	-	7,000	7,000	896	840
Bangchak Retail Co., Ltd.	100.00	100.00	800	800	800	800	-	-	800	800	-	-
BCP Energy International Pte. Ltd.	100.00	100.00	3,673	3,673	3,673	3,673	(2,203)	(1,932)	1,470	1,741	-	-
BCP Innovation Pte. Ltd.	100.00	100.00	1,433	1,334	1,433	1,334	-	-	1,433	1,334	-	-
BCP Trading Pte. Ltd.	100.00	100.00	35	35	35	35	-	-	35	35	-	-
BBGI Public Co., Ltd.	60.00	60.00	2,532	2,532	1,700	1,700	-	-	1,700	1,700	-	-
BCPR Co., Ltd.	100.00	-	661	-	661	-	-	-	661	-	-	-
BCV Bio Based Co., Ltd.	100.00	-	20	-	20	-	-	-	20	-	-	-
BCV Energy Co., Ltd.	100.00	-	20	-	20	-	-	-	20	-	-	-
BCV Innovation Co., Ltd.	100.00	-	20	-	20	-	-	-	20	-	-	-
BCV Partnership Co., Ltd.	100.00	-	20	-	20	-	-	-	20	-	-	-
					15,382	14,542	(2,203)	(1,932)	13,179	12,610	916	889
Direct subsidiary until 31 May 2017												
Bangchak Biofuel Co., Ltd.											-	105
Total											916	994

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Change in investment in subsidiaries

In July 2018, the Company established BCPR Co., Ltd., incorporated in Thailand, representing a 100% ownership with initial registered capital of Baht 1 million (divided into 10,000 shares at par value of Baht 100 per share) and established an indirect subsidiary in Singapore (“BCPR Pte. Ltd.”) for the purpose of jointly invest with Seacrest Capital Group through the investment by means of subscribing new shares of OKEA AS, a company established under Norwegian law, which has developed and produced petroleum in Norway. At the Annual General Meeting of the Shareholders of BCPR Co., Ltd. held in October 2018, the shareholders approved the increase of registered share capital from Baht 1 million (divided into 10,000 shares at par value of Baht 100) to Baht 661 million (divided into 6.61 million shares at par value of Baht 100). The subsidiary has called up and received full payment of paid-up capital in November 2018.

In June 2018, at the Extraordinary Meeting of the Shareholders of BCP Innovation Pte., Ltd. held in June 2018, the shareholders approved the increase of registered share capital from USD 39 million (divided into 39 million shares at par value of USD 1 per share) to USD 42 million (divided into 42 million shares at par value of USD 1 per share). The subsidiary had called up and received full payment of paid-up capital in August 2018.

In December 2018, the Company established BCV Bio Based Co., Ltd., BCV Energy Co., Ltd., BCV Innovation Co., Ltd., and BCV Partnership Co., Ltd., incorporated in Thailand, representing a 100% ownership with each company has initial registered capital of Baht 20 million (divided into 2 million shares at par value of Baht 10 per share). These subsidiaries has called up and received full payment of paid-up capital in December 2018.

Impairment of oil exploration & production assets and investment in subsidiary

At the Board of Directors meeting of the Company held on 18 May 2018, the meeting approved Nido Petroleum Pty. Ltd., subsidiary of the Company, to dispose all shares holds in Nido Production (Galoc) Pty. Ltd. (“GALOC”), which owns 55.8% of interest in Galoc oil field. Therefore, the Company recognized an impairment loss in investment in BCP Energy International Pte. Ltd. “BCPE” due to the fact that recoverable amount of investment of BCPE in Nido Petroleum Pty. Ltd. was lower than its carrying amount from the effect divestment of GALOC.

Subsequently in July 2018, the Group has entered into share purchase agreement of GALOC with a total consideration approximately USD 22.7 million (or approximately Baht 731 million). The Group completed the disposal of its shares in Nido Production (Galoc) Pty. Ltd. on 14 August 2018 and recognized gain on divestment approximately Baht 78 million in 2018.

The recoverable amount calculated based on the estimated future cash flows are discounted to their present value. The key assumptions used in the cash flow projections include the oil prices, oil reserve, production profile, discount rates, and capital expenditure. The key assumption were estimated by the Management. The forecast oil price are based on the world market and upon past experience of the industry. Production profiles are based on a proved and probable reserve and also the long-term view of global supply and demand. The discount rate is derived from weighted average cost of capital of the Group. The capital expenditure was determined based on project management estimation and long term planning.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The Group recognized impairment loss (reversal) in consolidated statement of income for the year end 31 December 2018 and 2017 as follows;

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
<i>(in million Baht)</i>					
(Reversal of) impairment losses					
Investment in subsidiary (BCPE)		-	-	271	1,293
Inventories	10	24	21	24	21
Property, plant and equipment	14	418	69	6	6
Intangible assets	17	-	1,465	-	-
Others		(1)	(37)	-	(37)
Total		441	1,518	301	1,283

The sensitivity analysis in the key assumption was estimated. The calculations were performed assuming a change to the variable being tested only. It is estimated that if the oil price assumption for all future years were to be increased by around 7.09%, this would cause the reversal of the additional allowance for impairment loss recognized during the year.

12 Investments in associate and joint ventures

		Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	<i>Note</i>	2018	2017	2018	2017
<i>(Restated)</i>					
<i>(in million Baht)</i>					
Indirect associates					
At 1 January -					
As previously reported		14,323	796	-	763
Adjustment	4	(242)	-	-	-
At 1 January - As restated		14,081	796	-	763
Increase		3,618	12,878	-	-
Decrease		-	-	-	(763)
Share of net profit of associate		215	569	-	-
Share of other comprehensive income (loss) of investment of associate		28	(20)	-	-
Dividend income		-	(64)	-	-
Effect of change in exchange rates		14	(78)	-	-
At 31 December		17,956	14,081	-	-
Joint ventures					
At 1 January		77	44	73	44
Increase		-	29	-	29
Share of net profit of joint venture		39	4	-	-
Dividend income		(24)	-	-	-
At 31 December		92	77	73	73

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

<i>For the year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017 (Restated)	2018	2017
<i>(in million Baht)</i>					
Total					
At 1 January -					
As previously reported		14,400	840	73	807
Adjustment	4	(242)	-	-	-
At 1 January - As restated		14,158	840	73	807
Increase		3,618	12,907	-	29
Decrease		-	-	-	(763)
Share of net profit of associate and joint venture		254	573	-	-
Share of other comprehensive income (loss) of investment of associate		28	(20)	-	-
Dividend income		(24)	(64)	-	-
Effect of change in exchange rates		14	(78)	-	-
At 31 December		18,048	14,158	73	73

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Investments in associates and joint ventures as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)		(in million Baht)											
Indirect associates														
Ubon Bio Ethanol Plc.	21.28	21.28	2,740	2,740	763	763	808	794	-	-	808	794	-	64
PetroWind Energy Inc.	40.00	40.00	895	895	922	922	1,206	1,185	-	-	1,206	1,185	-	-
Star Energy Group Holding Pte. Ltd.	33.33	33.33	28,237	28,237	11,956	11,956	12,295	12,102	-	-	12,295	12,102	-	-
OKEA AS	49.33	-	31	-	3,618	-	3,647	-	-	-	3,647	-	-	-
					17,259	13,641	17,956	14,081	-	-	17,956	14,081	-	64
Joint ventures														
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	91	76	-	-	91	76	24	-
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	1	1	-	-	1	1	-	-
					73	73	92	77	-	-	92	77	24	-
Total					17,332	13,714	18,048	14,158	-	-	18,048	14,158	24	64

None of the Group's equity-accounted investee is publicly listed and consequently does not have published price quotations.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Ownership interest		Paid-up capital		Separate financial statements				Dividend income			
	2018	2017	2018	2017	Cost method		Impairment		At cost - net		2018	2017
			(%)		2018	2017	2018	2017	2018	2017		
<i>Joint ventures</i>									<i>(in million Baht)</i>			
Bongkot Marine Services Co., Ltd.	30.00	30.00	240	240	72	72	-	-	72	72	24	-
Oam Suk Social Enterprise Co., Ltd.	40.00	40.00	3	3	1	1	-	-	1	1	-	-
Total					73	73	-	-	73	73	24	-

None of the Company's equity-accounted investee is publicly listed and consequently does not have published price quotations.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Impairment testing for cash generating unit containing goodwill in investment in associate, Star Energy Group Holdings Pte. Ltd.

The recoverable amount of investment in associate, Star Energy Group Holdings Pte. Ltd., which contained goodwill, was value-in-use by discounted future cash flow from the continuing operation of power plants in Indonesia.

The key assumptions used in the estimation of the future cash flows were based on the concession agreements, power purchase agreements, estimated selling price and production unit of electricity and steam, with reference to historical data and external source such as exchange rate and inflation.

The key assumption used in the estimation of value in use are as set out below.

	Consolidated financial statements	
	2018	2017
		(%)
Discount rate – Geothermal power plants	7.2-7.6	-

The discount rate was weighted average after-tax cost of capital by using Capital Asset Pricing Model (CAPM). Risk free rate was derived from long-term U.S. treasury bond yield. The adjustment for market risk premium to reflect risk of equity investment and country risk premium is also taking into consideration.

Revenue projection

The total revenue projections for the power plant assets was determined in accordance with the power purchase agreements, concession agreements and related announcements. The assumptions included electricity and steam selling price from thermal power plants, production unit, electricity unit, exchange rate, inflation and other related factors.

The impairment testing has been prepared by the Group’s management. The estimate revenue and expenses were based on historical data, external source and other related factors which included management’s estimate and long term business plan. The management have also conducted sensitivity test by increasing discount rate 0.5% – 0.6% and found no impairment for investment in associate, Star Energy Group Holdings Pte. Ltd.

The following table summarises the financial information of material as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group’s interest in these companies.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	OKEA AS 2018	Star Energy Group Holdings Pte. Ltd 2018	2017 (Restated)
		<i>(in million Baht)</i>	
Statement of income			
Revenue	1,303	16,939	13,978
Net profit (loss)	(599)	3,633	3,143
Other comprehensive income (loss)	-	484	(110)
Total comprehensive income for the year	(599)	4,117	3,033
Group's share of total comprehensive income (*)	(3)	192	313

(*) Group's share of total comprehensive income of OKEA AS for the year 2018 and Star Energy Group Holding Pte. Ltd. for the year 2017 were calculated from total comprehensive income since the acquisition date to end of period.

	OKEA AS 2018	Star Energy Group Holdings Pte. Ltd 2018	2017 (Restated)
		<i>(in million Baht)</i>	
As at 31 December			
Statement of financial position			
Current assets	6,242	10,960	9,784
Non-current assets	33,795	110,385	95,796
Current liabilities	(4,756)	(6,421)	(7,121)
Non-current liabilities	(29,534)	(78,840)	(76,993)
Net assets (100%)	5,747	36,084	21,466
Group's share of assets	2,681	7,922	7,729
Goodwill	966	4,373	4,373
Carrying amount of interest in associate	3,647	12,295	12,102

Immaterial in associates and joint ventures

The following is summarized financial information for the Group's interest in immaterial of associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	2018	2017
	<i>(in million Baht)</i>	
Carrying amount of interests in immaterial of associates and joint ventures	2,106	2,056
Share of net profit from investment in associates and joint ventures in Consolidated financial statements:		
- Profit for the year	93	407
- Other comprehensive income	-	-
- Total comprehensive income	93	407

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

13 Investment property

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Cost</i>				
At 1 January	343	359	899	915
Transfer to property, plant and equipment	(216)	(16)	(216)	(16)
At 31 December	127	343	683	899
<i>Depreciation and impairment losses</i>				
At 1 January	-	-	-	-
At 31 December	-	-	-	-
<i>Net book value</i>				
At 1 January	343	359	899	915
At 31 December	127	343	683	899
Fair value	346	758	984	1,395

During 2018 and 2017, the Company transferred partial of investment property to land, since the Company starting the land development for company's operation.

The fair value is appraised by an independent appraiser at market comparison value.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

14 Property, plant and equipment

	Consolidated financial statements										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets	Marketing and office equipment	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
	<i>(in million Baht)</i>										
Cost											
At 1 January 2017	2,260	3,015	42,209	11,576	8,456	6,258	239	334	28	5,096	79,471
Acquired through business acquisition	77	347	1,558	-	-	26	-	7	-	62	2,077
Additions	48	17	56	6	-	115	-	7	-	5,125	5,374
Transfers	936	216	3,834	1,364	-	1,459	-	60	-	(7,856)	13
Disposals	(64)	(5)	(21)	(18)	-	(176)	-	(14)	-	(3)	(301)
Effect of movement in exchange rate	(21)	(12)	-	(171)	(743)	(1)	-	-	-	(59)	(1,007)
At 31 December 2017 and 1 January 2018	3,236	3,578	47,636	12,757	7,713	7,681	239	394	28	2,365	85,627
Additions	489	10	96	1	1	50	-	35	-	7,459	8,141
Transfers	216	227	2,515	647	(42)	1,058	-	1	-	(4,493)	129
Disposals	-	(56)	(1,036)	(2,097)	(7,587)	(360)	-	(37)	-	-	(11,173)
Effect of movement in exchange rate	4	-	-	31	(85)	-	-	-	-	8	(42)
At 31 December 2018	3,945	3,759	49,211	11,339	-	8,429	239	393	28	5,339	82,682

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated financial statements										
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Exploration and production of petroleum assets	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<i>Depreciation and impairment losses</i>											
At 1 January 2017	(12)	(851)	(20,471)	(1,053)	(6,497)	(3,918)	-	(204)	(3)	-	(33,009)
Acquired through business acquisition	-	(47)	(518)	-	-	(17)	-	(3)	-	-	(585)
Depreciation charge for the year	-	(154)	(2,910)	(572)	(591)	(515)	-	(38)	(1)	-	(4,781)
Impairment losses <i>(Note 11)</i>	-	-	(6)	-	(63)	-	-	-	-	-	(69)
Disposals	-	1	12	1	-	167	-	14	-	-	195
Effect of movement in exchange rate	-	7	-	11	653	-	-	-	-	-	671
At 31 December 2017 and 1 January 2018	(12)	(1,044)	(23,893)	(1,613)	(6,498)	(4,283)	-	(231)	(4)	-	(37,578)
Depreciation charge for the year (Reversal of) impairment losses <i>(Note 11)</i>	-	(174)	(2,972)	(566)	(133)	(567)	-	(44)	(1)	-	(4,457)
Transfer	6	-	(13)	-	(412)	1	-	-	-	-	(418)
Disposals	-	-	(2)	-	-	3	-	-	-	-	1
Disposals	-	18	1,011	200	6,963	340	-	37	-	-	8,569
Effect of movement in exchange rate	-	-	-	(2)	80	-	-	-	-	-	78
At 31 December 2018	(6)	(1,200)	(25,869)	(1,981)	-	(4,506)	-	(238)	(5)	-	(33,805)
<i>Net book value</i>											
At 1 January 2017	2,248	2,164	21,738	10,523	1,959	2,340	239	130	25	5,096	46,462
At 31 December 2017 and 1 January 2018	3,224	2,534	23,743	11,144	1,215	3,398	239	163	24	2,365	48,049
At 31 December 2018	3,939	2,559	23,342	9,358	-	3,923	239	155	23	5,339	48,877

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

As at 31 December 2018, certain subsidiaries have mortgaged its land, buildings and machinery as collateral with financial institutions for credit facilities totaling Baht 13,478 million (2017: Baht 15,627 million).

As at 31 December 2018, Capitalised borrowing costs relating to construction of the new factory amounted to Baht 76 million (2017: Baht 128 million), with a capitalization rate of 1.85 - 4.55% (2017: 1.45 - 5.01%) (see note 33).

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2018 amounted to Baht 8,368 million (2017: Baht 7,401 million).

Disposal of asset to infrastructure fund

On 28 September 2018, indirect subsidiaries of the Group, Nikaho PV Godo Kaisha and Nagi PV Godo Kaisha have already disposed two solar power plant projects in Japan, Nikaho Project and Nagi Project respectively with totalling capacity of 27.6 MW into infrastructure fund in Japan named Bangchak Solar Yield-co Godo Kaisha for the amount of JPY 10,388 million (approximately THB 3,046 million). In any way, the fund is not related to the Company both in terms of investment or management. The Group recognized gain from disposal of solar power plant projects in Japan as other income in the consolidated statement of income amount to JPY 2,710 million (approximately THB 793 million) and recorded related tax expense.

Related to the transaction, BCPG Public Company Limited, a subsidiary of the Company signed a Sponsor Support Letter in favor of the newly established fund, agreed to the contractual obligations of Nikaho PV Godo Kaisha and Nagi PV Godo under Representation & Warranties in the asset purchase agreement which certified contract fulfillment. The limit of compensation is not more than 15% of asset value or approximately of JPY 1,725 million (equivalent to THB 505 million) with term of commitment not exceeding 12 months from the effective date of the contract. As of 31 December 2018, the subsidiary has assessed that there were no breach in any conditions.

Both indirect subsidiaries of the Group used a portion of proceeds from the sale to repay debt from financial institutions in Japan totalling JPY 6,932 million (approximately THB 2,028 million).

In addition, BCPG Engineering, an indirect subsidiary of the Group has signed Operation & Maintenance Agreement with the infrastructure fund to provide operation and maintenance services for both solar power plants with 5-year contract term. Service fee is in accordance with the contract.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Separate financial statements									
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
Cost										
At 1 January 2017	777	740	39,646	-	5,910	239	285	28	3,335	50,960
Additions	-	-	30	-	-	-	-	-	4,279	4,309
Transfers	951	4	3,795	-	1,416	-	59	-	(6,245)	(20)
Disposals	-	-	(9)	-	(172)	-	(6)	-	-	(187)
At 31 December 2017 and 1 January 2018	1,728	744	43,462	-	7,154	239	338	28	1,369	55,062
Additions	384	-	49	-	-	-	29	-	5,271	5,733
Transfers	216	29	2,255	72	1,006	-	-	-	(3,402)	176
Disposals	-	(16)	(1,032)	-	(352)	-	(36)	-	-	(1,436)
At 31 December 2018	2,328	757	44,734	72	7,808	239	331	28	3,238	59,535
Depreciation and impairment losses										
At 1 January 2017	(12)	(531)	(20,137)	-	(3,739)	-	(181)	(3)	-	(24,603)
Depreciation charge for the year (Losses) reversal of impairment loss	-	(30)	(2,718)	-	(444)	-	(30)	(1)	-	(3,223)
Disposals	-	-	(6)	-	-	-	-	-	-	(6)
Disposals	-	-	6	-	165	-	6	-	-	177
At 31 December 2017 and 1 January 2018	(12)	(561)	(22,855)	-	(4,018)	-	(205)	(4)	-	(27,655)
Depreciation charge for the year (Losses) reversal of impairment loss	-	(26)	(2,702)	(3)	(488)	-	(35)	(1)	-	(3,255)
Disposals	6	-	(13)	-	1	-	-	-	-	(6)
Disposals	-	10	1,010	-	332	-	36	-	-	1,388
At 31 December 2018	(6)	(577)	(24,560)	(3)	(4,173)	-	(204)	(5)	-	(29,528)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Separate financial statements									
	Land	Buildings	Machinery, equipment refinery plants and terminal	Electricity producing equipment	Marketing and office equipment <i>(in million Baht)</i>	Platinum catalyst	Vehicles	Other assets	Construction work in progress	Total
<i>Net book value</i>										
At 1 January 2017	765	209	19,509	-	2,171	239	104	25	3,335	26,357
At 31 December 2017 and 1 January 2018	1,716	183	20,607	-	3,136	239	133	24	1,369	27,407
At 31 December 2018	2,322	180	20,174	69	3,635	239	127	23	3,238	30,007

Capitalised borrowing costs relating to construction of the new plant amounted to Baht 75 million (2017: Baht 125 million), with a capitalization rate of 4.12 - 4.55 (2017: 3.96 - 5.01%) (see note 33).

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2018 amounted to Baht 8,135 million (2017: Baht 7,181 million).

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

15 Goodwill

	Consolidated financial statements (in million Baht)
<i>Cost</i>	
At 31 October (Acquired through business acquisition)	1,602
At 31 December 2017 and 1 January 2018	1,602
At 31 December 2018	1,602
<i>Impairment loss</i>	
At 31 December 2017 and 1 January 2018	-
At 31 December 2018	-
<i>Net book value</i>	
At 31 December 2017 and 1 January 2018	1,602
At 31 December 2018	1,602

Impairment testing for the cash generating unit containing goodwill

The recoverable amounts of goodwill from business combinations of BBGI Public Company Limited Group have been prepared by using the value in use models which was determined by discounting future cash flows for the next 5 years. The key assumptions used in the estimation of the recoverable amount included the discount rate which was a post-tax measure based on the rate of 10 year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally.

The discount rates of the relevant industries in which the subsidiary operates are ranged from 5% - 10%. The subsidiary's discount rate which applied in the calculation of recoverable amounts was fall within the industries' range.

The impairment test has been prepared by the management and no impairment charges are required for goodwill.

If the assumption used in the calculation on impairment tests for goodwill change, the discount rate increased by 1% per annum, there is still no impairment of goodwill.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

16 Leasehold rights

	Consolidated and Separate financial statements	
	2018	2017
	<i>(in million Baht)</i>	
<i>Cost</i>		
At 1 January	4,038	3,485
Additions	805	564
Disposals	(659)	(11)
At 31 December	4,184	4,038
 <i>Amortisation and impairment losses</i>		
At 1 January	(1,727)	(1,546)
Amortisation charge for the year	(215)	(186)
Disposals	659	5
At 31 December	(1,283)	(1,727)
 <i>Net book value</i>		
At 1 January	2,311	1,939
At 31 December	2,901	2,311

On 27 February 2004, The Treasury Department permitted the Company to settle by instalments, the leasehold fee of Baht 552 million for an extension of the lease agreement of state-owned land on which the Company's refinery is located. The initial lease agreement, which due for expiration on 1 April 2015, will be extended for period of 18 years under the new lease agreement, which will expire on 31 March 2033. The Company has extended the amortisation period of existing leasehold rights to 31 March 2033, which corresponds to the period of the new agreement. As at 31 December 2018 and 2017, the company has no remaining liability from the leasehold rights.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

17 Intangible assets

	Consolidated financial statements					
	License fee and cost of development of computer software	Exploration and evaluation expenditure	Right to connect power distribution system and right to use land <i>(in million Baht)</i>	Power purchase agreement		Total
<i>Cost</i>						
At 1 January 2017	945	3,339	122	1,728		6,134
Acquired through business acquisition	28	-	-	-		28
Additions	215	404	15	-		634
Disposals	(1)	-	(18)	(19)		(38)
Effect of movements in exchange rates	(12)	(308)	(5)	(102)		(427)
At 31 December 2017 and 1 January 2018	1,175	3,435	114	1,607		6,331
Additions	294	8	2	-		304
Transfer	(5)	-	6	-		1
Disposals	(1)	-	(43)	(190)		(234)
Effect of movements in exchange rates	3	(25)	1	17		(4)
At 31 December 2018	1,466	3,418	80	1,434		6,398

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Consolidated financial statements

	License fee and cost of development of computer software	Exploration and evaluation expenditure	Right to connect power distribution system and right to use land <i>(in million Baht)</i>	Power purchase agreement	Total
<i>Amortisation and impairment losses</i>					
At 1 January 2017	(345)	(751)	(4)	(21)	(1,121)
Acquired through business combination	(1)	-	-	-	(1)
Amortisation for the year	(100)	-	(4)	(30)	(134)
Disposals	1	-	-	-	1
Impairment losses (<i>Note 11</i>)	-	(1,465)	-	-	(1,465)
Effect of movements in exchange rates	-	119	-	2	121
At 31 December 2017 and 1 January 2018	(445)	(2,097)	(8)	(49)	(2,599)
Amortisation for the year	(140)	-	(4)	(29)	(173)
Disposals	1	-	4	15	20
Effect of movements in exchange rates	-	14	-	(2)	12
At 31 December 2018	(584)	(2,083)	(8)	(65)	(2,740)
<i>Net book value</i>					
At 1 January 2017	600	2,588	118	1,707	5,013
At 31 December 2017 and 1 January 2018	730	1,338	106	1,558	3,732
At 31 December 2018	882	1,335	72	1,369	3,658

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Separate financial statements	
	Right to use and cost of development of computer software	
	2018	2017
	<i>(in million Baht)</i>	
Cost		
At 1 January	789	663
Additions	181	126
Disposals	(1)	-
At 31 December	969	789
Amortisation and impairment losses		
At 1 January	(413)	(333)
Amortisation for the year	(106)	(80)
Disposals	1	-
At 31 December	(518)	(413)
Net book value		
At 1 January	376	330
At 31 December	451	376

18 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Total	1,063	1,227	(703)	(817)
Set off of tax	(236)	(227)	236	227
Net deferred tax assets (liabilities)	827	1,000	(467)	(590)

	Separate financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Total	1,017	937	(225)	(37)
Set off of tax	(225)	(37)	225	37
Net deferred tax assets	792	900	-	-

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2018	Consolidated financial statement (Charged)/Credited to:			Exchange differences	At 31 December 2018
		Profit/loss (Note 34)	Other comprehensive income	Net from disposal of assets and investment <i>(in million Baht)</i>		
<i>Deferred tax assets</i>						
Loss from impairment of assets	426	58	-	-	-	484
Property, plant and equipment	282	(9)	-	(181)	(2)	90
Provisions for employee benefit	382	26	-	-	-	408
Loss carry forward	94	(4)	-	(63)	-	27
Others	43	11	-	-	-	54
Total	1,227	82	-	(244)	(2)	1,063
<i>Deferred tax liabilities</i>						
Property, plant and equipment	(304)	(87)	-	163	(5)	(233)
Intangible assets	(418)	6	-	52	1	(359)
Leasehold rights	(1)	-	-	-	-	(1)
Provision for the decommissioning cost	(77)	-	-	76	1	-
Others	(17)	(110)	-	17	-	(110)
Total	(817)	(191)	-	308	(3)	(703)
Net	410	(109)	-	64	(5)	360

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Consolidated financial statement

(Charged)/Credited to:

	At 1 January 2017	Profit/loss (Note 34)	Other comprehensive income (in million Baht)	Acquired through business acquisition	Exchange differences	At 31 December 2017
Deferred tax assets						
Loss from impairment of assets	171	254	-	1	-	426
Property, plant and equipment	279	20	-	-	(17)	282
Provisions for employee benefit	347	20	14	1	-	382
Loss carry forward	29	67	-	-	(2)	94
Others	34	9	-	-	-	43
Total	860	370	14	2	(19)	1,227
Deferred tax liabilities						
Property, plant and equipment	(351)	93	-	(63)	17	(304)
Intangible assets	(451)	7	-	(5)	31	(418)
Leasehold rights	(1)	-	-	-	-	(1)
Provision for the decommissioning cost	(95)	10	-	-	8	(77)
Others	(16)	(1)	-	-	-	(17)
Total	(914)	109	-	(68)	56	(817)
Net	(54)	479	14	(66)	37	410

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	At 1 January 2018	Separate financial statements (Charged)/Credited to:		At 31 December 2018
		Profit/loss (Note 34)	Other comprehensive income	
<i>(in million Baht)</i>				
<i>Deferred tax assets</i>				
Loss from impairment of assets	425	59	-	484
Property, plant and equipment	95	(10)	-	85
Provisions for employee benefit	374	23	-	397
Others	43	8	-	51
Total	937	80	-	1,017
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(36)	(92)	-	(128)
Inventories	-	(96)	-	(96)
Leasehold rights	(1)	-	-	(1)
Total	(37)	(188)	-	(225)
Net	900	(108)	-	792

	At 1 January 2017	Separate financial statements (Charged)/Credited to:		At 31 December 2017
		Profit/loss (Note 34)	Other comprehensive income	
<i>(in million Baht)</i>				
<i>Deferred tax assets</i>				
Loss from impairment of assets	171	254	-	425
Property, plant and equipment	82	13	-	95
Provisions for employee benefit	342	17	15	374
Others	33	10	-	43
Total	628	294	15	937
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(117)	81	-	(36)
Leasehold rights	(1)	-	-	(1)
Total	(118)	81	-	(37)
Net	510	375	15	900

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

19 Other non-current assets

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Fixed deposit for staff welfare	406	514	406	514
Investment in service stations	252	201	252	201
Deposit	611	892	538	459
Others	449	428	566	395
Total	1,718	2,035	1,762	1,569

20 Interest-bearing liabilities

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Current				
Short term loan from financial institutions				
secured	280	366	-	-
unsecured	4,724	3,680	3,258	3,280
	5,004	4,046	3,258	3,280
Current portion of long-term loans				
from financial institutions				
secured	1,666	1,693	-	-
unsecured	550	525	350	325
	2,216	2,218	350	325
Debenture				
unsecured	4,000	-	4,000	-
	4,000	-	4,000	-
Total current	11,220	6,264	7,608	3,605
Non - current				
Long - term loans from financial institutions				
secured	15,538	17,373	-	-
unsecured	2,726	3,276	2,726	3,076
	18,264	20,649	2,726	3,076
Debenture				
unsecured	20,980	13,990	20,980	13,990
	20,980	13,990	20,980	13,990
Total Non - current	39,244	34,639	23,706	17,066
Total	50,464	40,903	31,314	20,671

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Details of the Group's loans from financial institutions as at 31 December 2018 was as follows:

Currency	Facilities (million)	Interest rates (% per annum)	Principle's repayment Terms
Short-term loans from financial institutions			
<i>The Company</i>			
USD	100	Fixed Interest Rate	In December 2019
<i>Indirect subsidiary</i>			
Baht	500	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	300	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	400	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	300	Fixed Interest Rate	Repayment as stipulated in agreement
Baht	200	Fixed Interest Rate	Repayment as stipulated in agreement
Long-term loans from financial institutions			
<i>The Company</i>			
Baht	4,200	Fixed Interest Rate	Semi-annually in 26 instalments starting in March 2013
Baht	3,500	THBFIX 6M plus a margin	Semi-annually in 23 instalments starting in December 2011
<i>Subsidiaries and Indirect subsidiaries</i>			
Baht	2,049	Fixed Deposit 6M Rate plus a margin	Quarterly in 24 instalments starting in January 2017
Baht	400	THBFIX 6M plus a margin	Semi-annually in 13 instalments starting in August 2017
Baht	170	THBFIX 6M plus a margin	Semi-annually in 11 instalments starting in August 2018
Baht	1,000	Fixed Interest Rate	Semi-annually in 10 instalments starting in April 2015
Baht	450	THBFIX 6M plus a margin	Semi-annually in 17 instalments starting in December 2016
Baht	270	THBFIX 6M plus a margin	Semi-annually in 17 instalments starting in December 2016
Baht	750	FDR 6M plus a margin	Semi-annually in 29 instalments starting in December 2016
Baht	1,050	THBFIX 6M plus a margin	Semi-annually in 15 instalments starting in December 2017
Baht	630	THBFIX 6M plus a margin	Semi-annually in 15 instalments starting in December 2017
Baht	1,750	FDR 6M plus a margin	Semi-annually in 27 instalments starting in December 2017
Baht	2,400	THBFIX 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
Baht	2,740	THBFIX 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
JPY	4,200	JPYTIBOR 6M plus a margin	Semi-annually in 17 instalments starting in December 2016
JPY	570	JPYTIBOR 6M plus a margin	Semi-annually in 17 instalments starting in December 2016
JPY	9,800	JPYTIBOR 6M plus a margin	Semi-annually in 15 instalments starting in December 2017
JPY	1,330	JPYTIBOR 6M plus a margin	Semi-annually in 15 instalments starting in December 2017

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Currency	Facilities (million)	Interest rates (% per annum)	Principle's repayment Terms
<i>Subsidiaries and Indirect subsidiaries (Con't)</i>			
JPY	7,896	JPYTIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
JPY	1,128	JPYTIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
USD	10	USDLIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
USD	40	USDLIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
USD	20	USDLIBOR 6M plus a margin	Principle repayment at year 6 from signing date (Semi-annually interest payment)
Baht	754	THBFIX 6M plus a margin	Semi-annually in 20 instalments starting in August 2013
Baht	754	Fixed interest rate 6 years	Semi-annually in 34 instalments starting in August 2013
USD	12	Fixed Interest Rate	Semi-annually in 34 instalments starting in August 2013
JPY	254	Fixed Interest Rate	Quarterly in 68 instalments starting in April 2015
JPY	355	Fixed Interest Rate	Quarterly in 68 instalments starting in July 2015
JPY	349	Fixed Interest Rate	Quarterly in 68 instalments starting in July 2015
JPY	2,578	Fixed Interest Rate	Quarterly in 68 instalments starting in March 2016

The loan agreements contain certain conditions such as maintaining certain financial ratios such as maintaining of certain debt to equity ratio, debt service coverage ratio and current ratio and transfer right of any agreements. These loans are secured by mortgage of the land, building, land improvement and infrastructure, machinery and 33.33% shares of issued and paid up capital of Star Energy Group Holdings Pte. Ltd.

As at 31 December 2018, the Group and the Company had unutilised credit facilities totalling Baht 15,229 million and Baht 11,895 million, respectively (2017: Baht 13,729 million and Baht 10,495 million, respectively).

Debentures

Detail of debentures as at 31 December 2018 and 2017 were as follows:

	Consolidated and Separate financial statements	
	2018	2017
	<i>(in million Baht)</i>	
Debentures	25,000	14,000
Less Unamortized deferred expenses on debentures	(20)	(10)
	24,980	13,990
Less Current portion due within one year	(4,000)	-
Total	20,980	13,990

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The Company issued long-term debentures which are named-registered, unsubordinated, unsecured and no bond holder (except debenture no.8 to 11 have bond holder) and no early redemption with representative with a face value of Baht 1,000 each with interest is payable semi-annually. The details are as follows:

No.	Consolidated and Separate financial statements		Interest rate (% per annum)	Term (Years)	Maturity Date
	2018	2017			
	<i>(in million Baht)</i>				
1	2,000	2,000	4.92	7	30 April 2019
2	1,000	1,000	5.35	10	30 April 2022
3	2,000	2,000	4.35	5	11 April 2019
4	2,500	2,500	4.81	7	11 April 2021
5	3,500	3,500	5.18	10	11 April 2024
6	2,000	2,000	4.72	12	3 March 2027
7	1,000	1,000	5.05	15	3 March 2030
8	3,000	-	2.13	2	10 August 2020
9	400	-	2.96	5	10 August 2023
10	600	-	3.42	7	10 August 2025
11	7,000	-	4.04	10	20 December 2028
	25,000	14,000			

In connection with the terms of the rights and responsibilities of the debentures issuer, the Company, as the issuer, has to comply with certain restrictions and conditions as stipulated therein, such as maintaining certain financial ratios etc.

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Within one year	11,220	6,264	7,608	3,605
After one year but within five years	21,924	16,759	9,020	9,347
After five years	17,320	17,880	14,686	7,719
Total	50,464	40,903	31,314	20,671

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Property, plant and equipment	13,478	15,600	-	-
Investment in associates	12,295	12,102	-	-
Restricted cash at bank	52	36	-	-
Total	25,825	27,738	-	-

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

21 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in million Baht)</i>			
Related parties	5	110	129	939	775
Other parties		6,570	9,887	5,005	7,459
Total		6,680	10,016	5,944	8,234

22 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in million Baht)</i>			
Related parties	5	56	56	65	69
Other parties					
Accrued expenses		946	851	654	588
Accrued interest		296	323	273	294
Payable for project construction		97	32	-	-
Liabilities from forward contract		50	9	47	9
Other accounts payable		1,712	1,747	1,320	1,104
Total		3,157	3,018	2,359	2,064

23 Non-current provisions for employee benefits

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
Statement of financial position					
Non-current provisions for:					
Post-employment benefits		2,008	1,908	1,942	1,830
Other long-term employee benefits		46	41	42	37
Total		2,054	1,949	1,984	1,867

For the year ended 31 December

Statement of comprehensive income:

Recognised in profit or loss

Post-employment benefits		182	185	154	159
Other long-term employee benefits		7	7	5	5
Total		189	192	159	164

Recognised in other comprehensive income:

Actuarial (gain) losses recognised in the year		(19)	71	-	73
Cumulative actuarial losses recognised		422	441	450	450

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
At 1 January	1,949	1,769	1,867	1,709
Include in profit or loss:				
Current service costs and interest on obligation	189	192	159	164
	189	192	159	164
Included in other comprehensive income				
Actuarial (gain) loss recognised in the year	(19)	71	-	73
Effect of movement in exchange rate	(4)	(3)	-	-
	(23)	68	-	73
Others				
Benefit paid	(48)	(84)	(42)	(79)
Acquired through business acquisition (disposal)	(13)	4	-	-
	(61)	(80)	(42)	(79)
At 31 December	2,054	1,949	1,984	1,867

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Demographic assumptions	(11)	16	-	20
Financial assumptions	-	118	-	115
Experience adjustment	(8)	(63)	-	(62)
Total	(19)	71	-	73

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

24 Share capital

	Par value per share (in Baht)	2018		2017	
		Number	Baht	Number	Baht
		(million shares / million Baht)			
<i>Authorised</i>					
At 1 January					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
At 31 December					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
<i>Issued and paid-up</i>					
At 1 January					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>
At 31 December					
Ordinary shares	1	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>

25 Surplus and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 (1992) requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

Capital surplus on registered and paid-up share reduction

On 6 July 2004, the Company registered with the Ministry of Commerce, the reduction in the Company’s registered share capital from Baht 1,032,761,220 to Baht 843,143,461 and the paid-up share capital from Baht 753,040,940 to Baht 563,423,181. These changes were due to the reduction of 189,617,759 shares held by the Siam DR Co., Ltd. to be consistent with the number of “Depository Receipts of BCP’s Ordinary Shares (DR)” which were issued and offered by the Siam DR Co., Ltd. The Company received consent from the Siam DR Co., Ltd. for reducing the mentioned number of shares without capital payback. The Company proceeded the share reduction to Capital on registered and paid-up share reduction account.

Other surplus

Surplus from the change in the ownership interest in subsidiaries

Change in parent’s ownership interest in subsidiaries within equity comprises of effect from dilution of percentage of holding of the Company in a subsidiary and difference from changes in parent’s ownership interest in subsidiaries that do not result in a loss of control.

Surplus from business combination

Surplus from business combination represents the measurement of net assets acquired and recognised at fair value from business combination.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 (1992) Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company’s net investment in a foreign operation.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

26 Operating segments

The Group has six reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

<i>Segment 1</i>	<i>Refinery and oil trading</i>
<i>Segment 2</i>	<i>Marketing</i>
<i>Segment 3</i>	<i>Electricity</i>
<i>Segment 4</i>	<i>Bio-based product</i>
<i>Segment 5</i>	<i>Natural resource</i>
<i>Segment 6</i>	<i>Others</i>

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, financial costs, depreciation and amortization, gain on foreign exchange and impairment losses on assets (Group’s EBITDA), as included in the internal management reports that are reviewed by the Group’s CODM. Group’s EBITDA is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	2018							
	Refinery and oil trading	Marketing	Electricity	Bio-based product	Natural resources	Others	Eliminations	Total
	<i>(in million Baht)</i>							
External revenue	43,411	140,524	3,320	3,807	963	-	-	192,025
Inter-segment revenue	131,404	9	-	5,981	-	-	(137,394)	-
Total revenue	174,815	140,533	3,320	9,788	963	-	(137,394)	192,025
Profit (loss) from operating segment	3,928	2,177	3,569	692	117	(268)	(14)	10,201
Depreciation and amortisation								(4,902)
Gain on foreign exchange								415
Loss from impairment of assets								(441)
Finance costs								(1,545)
Income tax expense								(493)
Profit for the year								3,235
Interest revenue	26	26	8	2	8	-	(15)	55
Financial costs	(633)	(197)	(521)	(103)	(52)	(64)	25	(1,545)
Depreciation and amortisation	(2,767)	(922)	(693)	(349)	(141)	(30)	-	(4,902)
Segments assets	48,360	20,251	31,550	7,332	9,876	-	-	117,369
Investments in associate and joint ventures	91	1	13,501	808	3,647	-	-	18,048
Capital expenditure	(4,393)	(2,327)	(1,499)	(623)	(8)	-	-	(8,850)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Refinery and oil trading	Marketing	Electricity	2017 (Restated)		Others	Eliminations	Total
				Bio-based product	Natural resources			
				<i>(in million Baht)</i>				
External revenue	35,434	129,389	3,323	2,482	1,510	-	-	172,138
Inter-segment revenue	120,847	9	-	5,591	-	-	(126,447)	-
Total revenue	156,281	129,398	3,323	8,073	1,510	-	(126,447)	172,138
Profit (loss) from operating segment	7,596	2,301	2,846	529	286	(3)	(135)	13,420
Depreciation and amortisation								(5,135)
Gain on foreign exchange								889
Loss from impairment of assets								(1,518)
Finance costs								(1,452)
Income tax expense								(41)
Profit for the year								6,163
Interest revenue	52	61	41	1	-	136	(136)	155
Financial costs	(767)	(137)	(436)	(100)	(171)	-	159	(1,452)
Depreciation and amortisation	(2,764)	(826)	(702)	(245)	(594)	(4)	-	(5,135)
Segments assets	49,542	15,510	31,850	8,579	8,388	-	-	113,869
Investments in associate and joint ventures	76	1	13,288	793	-	-	-	14,158
Capital expenditure	(3,184)	(1,914)	(899)	(335)	(420)	-	-	(6,752)

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Geographical segments

In presenting information on the basis of geographical segments, segment sales are based on the entity's country of domicile. Segment non-current assets (exclude derivatives and deferred tax) are based on the geographical location of the assets.

Geographical information

	Revenue		Non-current assets	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Thailand	165,453	151,790	54,159	50,105
Malaysia	4,043	5,217	-	-
Japan	451	481	4,500	5,865
Korea	4,551	3,275	-	-
Philippines	57	72	2,562	4,394
Singapore	15,162	8,398	5	-
Indonesia	-	-	12,295	12,345
Norway	-	-	3,647	-
Others	2,308	2,905	1,777	4,111
Total	192,025	172,138	78,945	76,820

Major customer

Revenues from one customer of the Group's 1 and 2 segments represents approximately Baht 17,069 million (2017: Baht 16,011 million) of the Group's total revenues.

27 Interest and dividend income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
<i>Dividend income</i>					
Related parties	5	-	1	940	1,016
		-	1	940	1,016
<i>Interest income</i>					
Related parties	5	5	-	28	136
Other investment income		50	155	38	107
		55	155	66	243
Total		55	156	1,006	1,259

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

28 Other income

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Fee for land utilisation and management fee for NGV service station	39	51	35	46
Gain on sale of investments	78	-	-	248
Gain on sales of assets	793	-	-	-
Management service fee for subsidiaries	-	-	95	75
Interest income from tax refund	-	401	-	401
Penalty income from insurance	104	175	-	175
Others	246	458	129	202
Total	1,260	1,085	259	1,147

29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Personnel	1,158	1,107	521	537
Advertising	536	500	389	361
Depreciation and amortisation	833	716	764	673
Distribution	548	501	450	465
Rental	314	264	290	237
Others	971	938	615	648
Total	4,360	4,026	3,029	2,921

30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Personnel	1,241	1,299	721	718
Advertising	178	145	177	139
Depreciation and amortisation	270	258	208	179
Professional and consultant fees	362	462	179	182
Others	964	974	559	539
Total	3,015	3,138	1,844	1,757

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

31 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Wages and salaries	2,313	2,138	1,198	1,111
Defined contribution plans	120	114	93	87
Pension	175	179	159	165
Others	702	846	439	546
Total	3,310	3,277	1,889	1,909

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Group at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

32 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods and work in progress	642	530	290	656
Raw materials and consumables used	105,714	95,252	98,282	88,628
Tax expenses and oil fuel fund	26,763	28,523	26,763	28,523
Depreciation	3,701	4,079	2,599	2,621
Loss on decline in value of inventories	696	8	689	-
<i>Included in selling expenses:</i>				
Depreciation	580	518	511	475
<i>Included in administrative expenses:</i>				
Depreciation	176	184	145	127

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

33 Finance costs

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<i>(in million Baht)</i>					
Interest expense					
Financial institutions		826	796	249	303
Debentures		733	706	733	706
Total interest expense		1,559	1,502	982	1,009
Amortisation of transaction costs capitalised		58	63	11	18
Others finance costs		4	15	2	2
		1,621	1,580	995	1,029
<i>Less</i> Amount included in the cost of qualifying assets:					
- Property, plant and equipment under construction	14	(76)	(128)	(75)	(125)
Net		1,545	1,452	920	904

34 Income tax

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<i>(in million Baht)</i>					
Current tax expense					
Current year		400	1,442	153	1,406
Over provided in prior years		(16)	(922)	(23)	(922)
		384	520	130	484
Deferred tax expense					
Movements in temporary differences	18	109	(479)	108	(375)
		109	(479)	108	(375)
Total tax expense		493	41	238	109

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>Reconciliation of effective tax rate</i>				
Profit before income tax expense	3,728	6,204	2,301	6,261
Corporate income tax rate (%)	20.00	20.00	20.00	20.00
Income tax using the Thai corporation tax rate	746	1,241	460	1,252
Effect of difference tax rates in foreign jurisdictions	42	(193)	-	-
Income not subject to tax / Expenses that are deductible at a greater amount	(676)	(643)	(236)	(246)
Expenses not deductible / Other adjustments	295	256	37	25
Recognition of previously unrecognised tax losses	(96)	-	-	-
Current year losses for which no deferred tax assets was recognised	194	269	-	-
Over provided in prior years	(16)	(922)	(23)	(922)
Others	4	33	-	-
Total	493	41	238	109
Corporate income tax rate (%)	13.22	0.66	10.34	1.74

35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to Petroleum Refinery process, production of Biodiesel and production of electricity from solar cell. The privileges granted include:

Production of electricity from solar cell

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.
- (c) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above.

Production of Biodiesel

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations.

Production of Ethanol

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) Exemption from payment of income tax for certain operations for a period of six and eight years from the date on which the income is first derived from such operations.

Production of Biogas

- (a) Exemption from payment of import duty on machinery approved by the Board;
- (b) Exemption from payment of income tax for certain operations for a period of six and eight years from the date on which the income is first derived from such operations.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2018			2017		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	49	57,010	57,059	99	30,718	30,817
Local sales	8,921	197,039	205,960	10,500	177,993	188,493
Eliminations	-	-	(70,994)	-	-	(47,172)
Total Revenue	8,970	254,049	192,025	10,599	208,711	172,138

The Company has no revenue from promoted business.

36 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(Restated)			
	<i>(in million Baht / million shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company <i>(million Baht)</i>	2,463	5,608	2,063	6,152
Number of ordinary shares outstanding <i>(million shares)</i>	1,377	1,377	1,377	1,377
Earnings per share (basic) (in Baht)	1.79	4.07	1.50	4.47

37 Dividends

At the Board of Directors meeting of the Company held on 24 August 2018, the meeting approved the appropriation of interim dividend from retained earnings as of 30 June 2018 at Baht 0.85 per share, amounting to Baht 1,170 million. The dividend was paid to the shareholders on 19 September 2018.

At the Annual General Meeting of the Shareholders, held on 25 April 2018, the shareholders approved a full year performance of 2017 dividend payment at the rate of Baht 2.15 per share, totalling Baht 2,960 million, of which Baht 1.05 per share, totalling Baht 1,445 million was paid as an interim dividend for the first half year of 2017 on 26 September 2017. The remaining dividend was paid for the second half year of 2017 at the rate of Baht 1.10 per share, totalling Baht 1,515 million. The dividend was paid to the shareholders on 7 May 2018.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

At the Board of Directors meeting of the Company held on 31 August 2017, the meeting approved the appropriation of interim dividend from retained earnings as of 30 June 2017 at Baht 1.05 per share, amounting to Baht 1,445 million. The dividend was paid to the shareholders on 26 September 2017.

At the Annual General Meeting of the Shareholders, held on 5 April 2017, the shareholders approved a full year performance of 2016 dividend payment at the rate of Baht 1.80 per share, totalling Baht 2,478 million, of which Baht 0.80 per share, totalling Baht 1,102 million was paid as an interim dividend for the first half year of 2016 on 20 September 2016. The remaining dividend was paid for the second half year of 2016 at the rate of Baht 1.00 per share, totalling Baht 1,377 million. The dividend was paid to the shareholders on 21 April 2017.

38 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly floated. The Group is primarily exposed to interest rate risk from its borrowings (Note 20). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The Interest rates of interest-bearing of loan to related party and financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated financial statements									
	2018					2017				
	Interest rate <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	Total	Interest rate <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	Total
Assets										
Non-current										
Loan to related party	8.0	-	199	-	199	-	-	-	-	-
Total		-	199	-	199		-	-	-	-
Liabilities										
Current										
Loans from Financial institutions	1.8 - 5.2	7,220	-	-	7,220	0.3 - 5.3	6,264	-	-	6,264
Debenture	4.3 - 4.9	4,000	-	-	4,000	-	-	-	-	-
Non-current										
Loans from Financial institutions	1.8 - 5.6	-	15,030	3,234	18,264	0.3 - 5.3	-	9,262	11,387	20,649
Debenture	2.1 - 5.4	-	6,894	14,086	20,980	4.3 - 5.3	-	7,496	6,494	13,990
Total		11,220	21,924	17,320	50,464		6,264	16,758	17,881	40,903

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Separate financial statements									
	2018					2017				
	Interest rate <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	Total	Interest rate <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years <i>(in million Baht)</i>	After 5 years	Total
Assets										
Non-current										
Loans to related parties	0.5 – 4.5	-	5,128	-	5,128	0.5 – 7.5	-	2,203	-	2,203
Total		-	5,128	-	5,128		-	2,203	-	2,203
Liabilities										
Current										
Loans from Financial institutions	3.3 - 4.4	3,608	-	-	3,608	4.2 - 5.0	3,605	-	-	3,605
Debenture	4.4 - 4.9	4,000	-	-	4,000	-	-	-	-	-
Non-current										
Loans from Financial institutions	4.1 - 4.4	-	2,126	600	2,726	1.8 - 4.2	-	1,851	1,225	3,076
Debenture	2.1 - 5.4	-	6,894	14,086	20,980	4.3 - 5.3	-	7,496	6,494	13,990
Total		7,608	9,020	14,686	31,314		3,605	9,347	7,719	20,671

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
USD	<i>(in million Baht)</i>			
Cash and cash equivalents	1,302	1,049	606	581
Trade accounts receivable and other receivables	1,719	1,807	1,422	1,269
Receivable from oil hedging contracts	6	150	-	150
Long-term loans to related parties	199	-	4,718	2,113
Trade accounts payable and other payables	(1,248)	(2,474)	(503)	(1,056)
Payable from oil hedging contracts	-	-	(6)	-
Interest-bearing liabilities	(4,356)	(3,823)	(3,258)	(3,280)
Gross statement of financial position exposure	(2,378)	(3,291)	2,979	(223)
Others				
Cash and cash equivalents	1,756	1,025	-	-
Trade accounts receivable and other receivables	195	31	-	-
Trade accounts payable and other payables	(75)	(45)	-	-
Interest-bearing liabilities	(6,563)	(9,043)	-	-
Gross statement of financial position exposure	(4,687)	(8,032)	-	-
Net currency forwards	(304)	717	(423)	717
Cross currency swap contracts	188	-	-	-
Net exposure	(7,181)	(10,606)	2,556	494

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

Fair values of financial assets and liabilities

As at 31 December 2018 and 2017, fair value of financial assets and liabilities is taken to approximately the carrying value, except the following items;

Consolidated financial statements

	2018						2017							
	Carrying value			Fair value			Carrying value			Fair value				
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>													
Financial assets														
Equity securities														
available for sale	-	1,432	1,432	1,432	-	-	1,432	-	4,061	4,061	4,061	-	-	4,061
Forward exchange contracts	161	-	161	-	161	-	161	-	-	-	-	-	-	-
Cross currency and interest rate swap contracts	-	-	-	-	-	-	-	-	-	-	-	7	-	7
Interest rate swap contracts	-	-	-	-	5	-	5	-	-	-	-	5	-	5
Crude and product oil price hedging contracts	-	-	-	-	143	-	143	-	-	-	-	70	-	70
Loan to related party (fixed rate)	-	199	199	-	245	-	245	-	-	-	-	-	-	-
Financial liabilities														
Debentures	4,000	20,980	24,980	-	25,888	-	25,888	-	13,990	13,990	-	15,283	-	15,283
Long-term loans (fixed rate)	401	2,531	2,932	-	3,011	-	3,011	535	5,444	5,979	-	6,172	-	6,172
Forward exchange contracts	-	-	-	-	16	-	16	3	-	3	-	3	-	3
Cross interest rate swap contracts	-	-	-	-	42	-	42	-	-	-	-	44	-	44
Crude and product oil price hedging contracts	-	-	-	-	139	-	139	-	-	-	-	293	-	293

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

	Separate financial statements													
	2018						2017							
	Carrying value			Fair value			Carrying value			Fair value				
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
<i>(in million Baht)</i>														
<i>Financial assets</i>														
Crude and product oil price hedging contracts	-	-	-	-	143	-	143	-	-	-	-	70	-	70
Forward exchange contracts	87	-	87	-	76	-	76	-	-	-	-	-	-	-
Loans to related parties (fixed rate)	-	1,489	1,489	-	1,373	-	1,373	-	2,113	2,113	-	1,949	-	1,949
<i>Financial liabilities</i>														
Debentures	4,000	20,980	24,980	-	25,888	-	25,888	-	13,990	13,990	-	15,283	-	15,283
Long-term loans (fixed rate)	300	1,801	2,101	-	2,133	-	2,133	300	2,101	2,401	-	2,456	-	2,456
Forward exchange contracts	-	-	-	-	-	-	-	3	-	3	-	3	-	3
Cross currency and interest rate swap contracts	-	-	-	-	-	-	-	-	-	-	-	26	-	26
Crude and product oil price hedging contracts	-	-	-	-	139	-	139	-	-	-	-	293	-	293

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

39 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Capital commitment				
Construction projects	2,440	600	726	24
Total	2,440	600	726	24
Future minimum lease payments under non-cancellable operating leases				
Within one year	964	891	939	496
After one year but within five years	3,086	2,082	3,032	1,988
After five years	3,018	2,889	2,937	2,782
Total	7,068	5,862	6,908	5,266
Other commitment				
Bank guarantees	109	164	23	33
Total	109	164	23	33

The Company entered into 9 million barrels oil price hedging contracts with foreign oil traders for the periods between January 2019 and March 2019.

The Company entered into foreign currency buying forward contracts cover the period to December 2020 amounting to USD 37 million equivalents to Baht 1,110 million.

The Company entered into foreign currency selling forward contracts cover the period to December 2019 amounting to USD 50 million equivalents to Baht 1,624 million.

An indirect subsidiary of the Group has foreign currency buying forward contracts cover the period to October 2019 amounting to USD 0.5 million or equivalents to Baht 16 million.

An indirect subsidiary of the Group entered into cross currency swap contracts to buy U.S. Dollars currency of USD 12 million and sell Thai Baht currency of Baht 334 million. The contract expires in 2030. All counterparties agree to pay the interest and the notional amount in accordance with the terms and conditions specified in the contract.

An indirect subsidiary of the Group entered into interest rate swap agreements for loans from bank with a floating interest rate of 3M TIBOR+180BPS per annum, to a fixed rate of 2.94% per annum with the principal amount of JPY 2,577 million, which pays every 3 months and the contracts expire in 2022

An indirect subsidiary of the Group entered into cross currency swap contracts to buy U.S. Dollars currency of USD 50 million and sell Norwegian krone currency of NOK 409 million. The contract expires in December 2019.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

40 Contingent liabilities and contingent assets

During the second quarter of 2016, the Company (the first defendant) was co-accused with another company (the second defendant) for alleged breach of a lubricant product distribution contract for a claim totalling Baht 46 million. Subsequently, the plaintiff filed additional claim against the Company for alleged breach of a contract as a result of ceasing lubricant product distribution for a claim totalling Baht 688 million. During the first quarter of 2017, the civil court ordered a dismiss on both cases. The plaintiff was re-appealed to the Appeal Court. Subsequently, during the second quarter of 2018, the Appeal Court had ordered the Company to pay the plaintiff for two claims totaling Baht 1 million. Currently, such lawsuit is in process of filing the petitions.

41 Events after the reporting period

At the Board of Directors' meeting held on 21 February 2019, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2018 dividend payment at the rate of Baht 1.35 per share, of which Baht 0.85 per share was paid as an interim dividend on 19 September 2018 as disclosed in note 37. Thus, the remaining dividend will be at the rate of Baht 0.50 per share payable to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 11 April 2019.

At the Board of Directors' meeting held on 20 February 2019, the Board of subsidiary approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2018 dividend payment at the rate of Baht 0.64 per share, of which Baht 0.48 per share the subsidiary was paid as an interim dividend. Thus, the remaining dividend will be at the rate of Baht 0.16 per share payable to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 9 April 2019.

42 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

1) Contracts that are not the contracts with customers

The Group has considered the contract arisen from transactions involving non-monetary exchanges between entities in the same line of business to facilitate sales to customers. Such transaction does not meet the definition of contract with the customers under TFRS 15. The Group shall not recognise revenue from contracts with customers on such exchange.

2) Consideration on revenue from sales included transportation services

The Group has considered sales of goods with freight services and found that freight services are distinct service from sales of goods. Under TFRS 15, sales of goods is recognised when the control of goods is transferred to the customer. Revenue from freight services is recognised over time.

3) Sale of goods with loyalty programme.

For the loyalty programme operated by the Group, revenue is currently allocated between the loyalty programme and the products by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. Under TFRS 15, consideration will be allocated between the loyalty programme and the products based on their relative stand-alone selling prices. As a consequence, a lower proportion of the consideration will be allocated to the loyalty programme, and therefore less revenue is likely to be deferred.

4) Sale of steam under minimum take or pay arrangement.

For the sale of steam under minimum take or pay arrangement of an associate in Indonesia. Under TFRS 15, revenue should be recognised upon fulfilment of the performance obligation.

The Group plans to adopt TFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (1 January 2019). As a result, the Group will not apply the requirements of TFRS 15 to the comparative period presented. Thus, if the Group were to initially adopted TFRS 15, the impacts to consolidated statement of financial position are investments in associates and retained earnings would decrease approximately Baht 54 million.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

Bangchak Corporation Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

43 Reclassification of account

Certain accounts in the statement of financial position as at 31 December 2017 which are included in the 2018 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2018 financial statements.

	Separate financial statements		
	Before reclassify	Reclassify	After reclassify
	<i>(in million Baht)</i>		
<i>Statement of financial position as at 31 December 2017</i>			
Investment properties	343	556	899
Property, plant and equipment	27,963	(556)	27,407
	28,306	-	28,306

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.